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A PAN-AMERICAN POLICY: THE MONROE DOCTRINE MODERNIZED¹

BY JOHN BARRETT,

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States Minister to Argentina, Panama and Colombia.

I sometimes feel that all this discussion of the Monroe Doctrine is entirely in vain, that there is nobody who is an ultimate court upon the subject—nobody who can decide just what is its interpretation or its meaning or its significance. I know that I would not for a moment pretend that any views which I have upon the subject are final. I had at first decided I would not make any remarks, but I will briefly summarize some thoughts which I have been going over in my mind for many years in my association with Latin America. In my humble experience as minister in three American republics and during the seven years that I have had the honor of being the Director General of the Pan-American Union, I have striven earnestly to get what I call the Pan-American viewpoint of the Monroe Doctrine. Now I do not ask anyone to accept what I say as final, but perhaps I look at this subject from a viewpoint a little different from that of many persons, because I have the rather unique position and experience of being the only Pan-American officer in America—not only one who is an officer of the United States but who is in every respect equally an officer of the other Latin-American countries. Each day it is one of the duties of the members of my staff to lay before me the consensus of opinion of the newspapers of every important capital of the western hemisphere; and therefore while I am actually in this country, I am able to follow closely the views of the peoples of other lands upon this subject under discussion.

As one who has been intimately associated, officially and privately, for nearly fourteen years with Latin America and Latin Americans, I may be permitted to make a few humble suggestions, which, if followed, might affect the permanent status of the Monroe Doctrine among the American nations, and might not!

¹Remarks as presiding officer of the session of the Academy, Friday morning, April 3, 1914.

I believe the time is coming when there may be evolved from the Monroe Doctrine itself as a principle and phrase, and thereupon substituted for the Monroe Doctrine as a principle and phrase, the principle and phrase of a "Pan-American policy." (These ideas, to some extent, I developed last fall at a meeting in Washington of the Society for Judicial Settlement of International Questions. What I am saying here is really a sublimated form of what I said at that time.) By that I mean a Pan-American policy acceptable to and approved by not only the United States, but all the American republics, a policy belonging to each and all on the same basis of attitude and action, protecting alike the sovereignty and governments of each—which is, after all, the delicate point—without the offensive suggestion of preponderance, dictation or domination of one nation like the United States. It is a common error among some of the statesmen and essayists of the United States, whenever they speak or write anything about the southern republics, to patronize them. This is a fatal error—always thus reminding them of the power and mightiness of the United States, as if the United States were both "papa" and "mamma," and they a group of little children playing in the back yard. Coupled with this are the equally common errors: First, that of not recognizing the extraordinary greatness and progress of some of the republics, even if others are not so progressive; and secondly, of classing them all as having revolutionary tendencies, in spite of the fact that two-thirds of Latin America, in area and population, has known no serious revolution whatever in the last twenty-five years.

This Pan-American policy would adopt, absorb and enlarge the Monroe Doctrine as an original policy of the United States into a greater and all-American policy, where each nation would have the same rights of attitude, the same dignity of position and the same sense of independence as the United States now has. By eliminating the attitude of absolute dictation and centralized power, which the Monroe Doctrine has been interpreted in Latin America as applying to the relations of the nations of the western hemisphere, by the substitution of "Pan-American" for "Monroe"—thus including all the American nations as sponsors—and by the substitution of "policy" for "doctrine" and thus removing the hard, unyielding, dictatorial and didactic suggestion of the words "Monroe Doctrine," about which every Latin American is a little sensitive, a long step will be taken

towards a new era of Pan-American comity and Pan-American confidence.

It is not the Monroe Doctrine itself as a principle, but the *interpretation*—and mark my word—the *interpretation thereof*, as indicated in the recently published opinions of many prominent Latin Americans on this subject, that is not acceptable to the majority of Latin-American countries and statesmen. This is a point that has been clearly overlooked by the critics of the Monroe Doctrine in the United States. If its haphazard interpretation can be supplanted with responsible and reasonable judgment, the majority of arguments against the doctrine in Latin America, and also in the United States, in describing it as obsolete will fail absolutely in their purpose and logic.

A distinguished Yale professor, for whom I have profound regard, leaving the safe fields of archaeological study, and venturing into the complex relations of international politics, calls the Monroe Doctrine an "obsolete shibboleth." How in the world any one man can assume to pass that judgment upon a great policy or doctrine, I cannot possibly understand. I fear that in his academic viewpoint he has exaggerated the importance which the Latin-American countries attach to the Monroe Doctrine, and he has attributed to that much assailed and suffering Doctrine all kinds of faults which are due to entirely other and different causes, such as North American ignorance and lack of appreciation of South America.

In conclusion, the Monroe Doctrine in its final analysis, in my opinion, and, as I say, I do not for a minute state these things in a didactic way and my judgment may be entirely wrong, will continue to be a great *international* principle only to the degree that it is evolved into this greater Pan-American policy; and from a Doctrine of the United States alone into a policy of all the American republics, and now, if you follow me, though it is a little complicated, to the degree that it is evolved from being *subjective* on the part of the United States alone towards all the other American republics as *objective*, to being *subjective* on the part of each towards each and all the others as *objective*. That is, making each and every American republic feel that it is part of its policy towards each and every other American republic, instead of being just the policy of the United States alone towards all these other countries. To be still clearer in my idea I would say that I mean to evolve the Monroe Doctrine

from being *subjective* on the part of the United States towards the other American republics in an *objective* position, to being *subjective* on the part of each and all towards in turn each and all as *objective*.

Then we will have achieved, in my opinion, that ideal, unselfish, fraternal relationship of the American governments and peoples which will give a new worth and a permanent, acceptable significance to Pan-American relationship, Pan-American accord, and the status of the Pan-American Union.

A STUDY OF IBERIC-AMERICA

BY REAR-ADMIRAL F. E. CHADWICK, U.S.N.,

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South of us in this hemisphere are nearly 8,000,000 square miles of land three-quarters of which are within the tropics. This last is a great momentous and dominating fact. For this means that there are 6,000,000 square miles, an area about twice the size of the United States exclusive of Alaska, which will never in the main be peopled by the white man as we understand the phrase. For say what some may, the white does not thrive in regions characteristically tropical and most of these 6,000,000 square miles are so. There are exceptions, as considerable portions of Mexico and Central America, Venezuela, Ecuador, Peru and Bolivia are so high that such parts have what may be called a white man's climate. But even so it is not likely that the future inhabitants of these higher regions will differ largely in race characteristics from those now there. This fact is at the bottom of the Iberic-American question. It is that the races to the south of us differ essentially from the Anglo-Saxon in psychic qualities.

I desire to say that what follows herein is not said in unkindly criticism or in unkindly spirit. I have an immense liking for the Spanish race wherever found; for its hospitable and generous character, for its beautiful family life, its dignity and courtesy. While there is something which they can learn from us, there is very much for us to learn from them and I wish that we might take this last fact very much to heart.

It is part of our northern make-up (call it stupidity if you will, and you will not be far astray), that we view the mental habit of all other races as being akin to our own; that the Mexican, Peruvian, Brazilian will understand things political in exactly the sense that we do. There never was such a thing, for example, as a constitutional election in Mexico nor do one-tenth of 1 per cent of the Mexican people know what it means. How can they when a vote in a presidential election rarely exceeds 18,000? And how can it be otherwise when the upper class, say but a fifteenth of the population, the only class with a semblance of education, is itself temperamentally unable

to understand a constitutional government? They belong to a class tribal by instinct in whose very blood is unrest and inability to coalesce into a single responsible government carried on on constitutional lines. The Spanish and Portuguese races to which the governing classes in all the republics to the south of us belong began as Berbers and remain essentially Berber-Moor today, scarcely changed at bottom from their relations across the straits in Morocco and the Atlas.

It is this lack of comprehension of what race character means that causes our trouble. We do not understand the other man, and until we recognize our ignorance in this regard, until we accept the great fundamental fact of all life,—that every race, every species has its special race or specific temperament and habit of thought and action,—we shall be unsuccessful in our relations with these our brother republics. It is a study of temperament, disposition, outlook on life, a study in a word of all that goes to make up character that we need for successful dealing with races so essentially different from our own. Until we shall see this, we are but groping darkly.

And a word as to the use of the word "Iberic." It has become the fashion to speak of Latin-America. This is a phrase almost wholly misplaced. There is no "Latin" America in any true sense. There is an Iberic-America, and this confusion of terms has caused or has helped largely to cause, our confusion of thoughts. The Spaniards and Portuguese who settled with whites all to the south of us are not of Latin stock, though with some Latin intermixture. I would say again to accentuate the fact, that the ancient people of the Iberic peninsula which includes Spain and Portugal were, with the exception of a remote Celtic strain, Iberians—Berbers—the same in race as the Berbers of today, of the African Atlas, akin to the Moor and in the distant ages to the Arab. Their occupancy of North Africa and of Spain is lost in the mists of history.

The Greeks established a colony on the east coast of Spain as they did in so many other parts of the Mediterranean. The Carthaginian, a Semite, came and took possession of the ports and exploited the mines of the region. The Romans expelled these in 206 B.C., and then took two hundred years in conquering the original inhabitants. They governed and administered Spain until Rome herself fell before the barbarians, but they never colonized in the true sense. Roman governors and Roman armies occupied the country and impressed upon the whole peninsula their power and language sufficiently

to develop the latinized languages of the Spain and Portugal of today. Undoubtedly, too, there was a large infusion of Roman blood, as was but natural. In the long occupation of three hundred years following the two hundred of conquest, Spain was indeed a Roman province in a larger sense than almost any other lying beyond the confines of Italy, but the Goths, Vandals and Visigoths, who came atop of the Romans were with the last all absorbed by the conquered Iberians as were the Norman invaders of England by the English. The people of the Peninsula remained Iberian at bottom despite their many conquerors. This is markedly so of the south, diminishing somewhat toward the north, but always true. In Portugal later on came a strong negro strain through slavery. The negroes thus brought have thoroughly coalesced with the native Portuguese who seem never to have shown a dislike to so mixing.

In 700, the Berbers from Africa crossed the straits and made an easy conquest, as it was but coalescing with people of their own blood. The kindred Moors lent a hand and the peninsula became Berber-Moor in dominion as in blood. The Africans swept over Spain with wonderful rapidity because of their kinship. For five hundred years they held all of Spain and for two hundred more its fairest portion, and when their downfall came it was mainly through difference of religion, Christianity having been brought by the invaders who followed the Romans; it did not come through essential difference of race.

The tribal tendencies of the race are shown in the long continuance of the many separate kingdoms, thirteen in number, which constitute the Spain of today. Until the time of Ferdinand and Isabella they were largely independent and the largest was still Moorish. After the fall of Granada all the petty kingdoms were, in a way, united into one, but it was as the kingdom of Las Españas, the Spains, and not a single unified Spain, and the country has always remained regional, as the Spanish expression goes.¹

I have thought it well to give this little bit of history because in it lies the very root of our subject, the reason why the Spanish race wherever found is ready for revolution or insurrection. It is this Ber-

¹For a more extended discussion of this subject see Chadwick, *Relations of the United States and Spain*. (Diplomacy), Introduction. For the Inception and Development of the Monroe Doctrine, *Ibid.*, chapters ix and x.

ber-Moorish blood which has given it the tribal, separatist, regional instinct, or whatever one may call the tendency mentioned and which has made it impossible for the people of Spanish blood to understand a centralized constitutionalized government. That there is somewhat less of this revolutionary and separatist instinct in the Portuguese comes through the mixture in Portugal of negro blood just mentioned which has given it softer characteristics, and in this is to be found the reason for the less revolutionary character of the Brazilians though as we know even from the present unrest in Brazil it is far from absent.

Leaving Portuguese Brazil aside for the moment, the Spaniards through their superior qualities and education over those of the native and mixed races have naturally been the governing class of the Spanish-American provinces. They came among a mild, barbarous people whom they practically enslaved and who have remained till now almost without education or uplift in economic condition. They have remained as ignorant as the Spanish peasant himself remained for ages, the tool of warring factions in Spain as in Mexico, for be it remembered that Spain through a great part of the nineteenth century was torn by revolution and factional slaughter as Mexico is today. Our minister to Spain, Caleb Cushing, of distinguished ability, wide observation and intimate knowledge of the country could say of Spain in a dispatch dated July 11, 1876,

. . . . my residence in Spain has enabled me to appreciate the true cause and character of administration in Cuba. It is that the governors are incapable of conducting and the governed equally incapable of receiving good government. They are all Spaniards alike, as General Prim has so often said, whether you call them Peninsulars or Cubans. . . . Now has there been maladministration in Cuba? So there has been in Spain herself. Have there been rebellions in Cuba, guerrilla warfare, burnings, sacking of towns, military executions, deportations, embargo of private property, banishments, suspension of suffrage, arbitrary domination of captains-general? So all these things have been occurring in Spain. She has had naught else for more than sixty years but alternations between anarchy and despotism.

And so he goes on, saying near the end, "the misfortunes of Spain and of Cuba are conditions of the national character, as manifested alike in Spain and in all Spanish America."

There spoke in this dispatch the true and candid statesman, one who recognized that the first element in international questions is knowledge of the character of those with whom you are dealing. I

would, had I my way, have every newly appointed secretary of state read and ponder the inner meaning of this dispatch.

Now what is to be the outcome of the present and prospective conditions in Iberic-America? We see two of the republics in South America which have arrived at marked stability, Argentina and Chile; to a lesser degree, Brazil. There can be no question that these at least are on the road to greatness. Greatest in area, at least, is Brazil, a country a tenth larger than the United States, with a population claimed to be 24,000,000 (but largely guess-work) or about three times that of Argentina. But nine-tenths is within the tropics and with a climate but little modified in these nine-tenths by any marked elevation of land. Nearly a third of the whole population (7,280,000) is in the other tenth which extends from Rio de Janeiro to Uruguay, and it is in this tenth that the whites largely predominate. It is here that are to be found some 400,000 of Germans the product of an immigration which has been continuous since 1820, and the greater number of Italians who outnumber the Germans three to one. The Italians however are somewhat migratory, many returning yearly to Italy, as they do to a large degree in the United States. This habit of migration is even more frequent in Argentina where many thousands of Spaniards and Italians travel yearly the 10,000 miles (to and fro) for the wheat harvest.

About 3,000,000 square miles (or nine-tenths) of Brazil lie to the north of Rio de Janeiro which is just within the tropics. In this vast region there are probably not over 14,000,000 people, or less than five to the square mile, made up, with a very moderate number of pure whites, of various mixtures of white, negro and Indian blood. The state of Pará with 443,903 square miles has but one inhabitant to the square mile. Amazonas with 732,439 square miles (approximating three times the size of Texas), has a population of but about 250,000, or but about one to every three square miles. Matto Grosso twice the size of Texas has but 118,000 population or about one to every five square miles. Brazil's best showing is San Paulo of 112,307 square miles, and with a population of 2,282,279, or 20.3 to the square mile. To show how sparse this population is: New England has 108 to the square mile; the Middle Atlantic division (New York, New Jersey and Pennsylvania), 193; the South Atlantic (Delaware to Florida inclusive), 45 to the square mile. One has to go to the Saharan regions to find any likeness to the sparsity of population in vast stretches of Brazil.

That there can be any reasonable approach to a republican system of government is of course impossible in a population where 80 per cent can neither read nor write and where the effort to increase literacy is so slight that but only 634,000 children in a population claimed to be 24,000,000 are at school. Were there the same population at school as in the United States there would be about three and a half millions in actual school attendance instead of less than a fifth that number. Even the reported numbers are very doubtful.

Set between Brazil and Argentina is Uruguay a state a little larger than New England and with but a million and a half of population perhaps the most truly Spanish in character of any but Chile. As the actual number of immigrants coming to settle in the country is but about 6,000 a year and many of these are Spanish, it will long retain its Spanish character. So situated, between two much more powerful neighbors, there is much apprehension among Uruguayans as to the political future of their country. This is of course too delicate a subject to discuss here and need only be mentioned.

Argentina, as large nearly as the United States east of the Mississippi, with a splendid and magnificent capital of a million and a half of inhabitants, a population of 8,000,000, rapidly increasing and with great present and immense potential wealth, is bound to be one of the seats of empire. Nearly the whole is a vast plain bordered on the west by the Andes and their foothills and is akin in appearance though not in climate to the steppes of Russia. Its northern edge is just within the tropics; its capital is in the relative latitude of southern Tennessee, and its southern limit in relatively that of the south edge of Hudson's Bay. But as one goes south the continent narrows until it is a narrow wedge between the two great oceans, and the climate becomes that of Great Britain instead of that of Labrador. Into this vast region with but six inhabitants to the square mile have come to be added to the Spanish stock the blood of nearly 3,000,000 immigrants who came and stayed in the country from 1857 to 1911. In this last mentioned year came 117,723 Spaniards and 58,185 Italians, fully 60 per cent of whom however came only for the harvests and then returned. But there were others many of whom stayed; as 4,916 French, 1,730 English, 16,694 Swiss, 23,450 Germans and 24,785 Austrians, besides Syrians, Poles, Russians and many other nationalities in smaller numbers.

The immigration for 1910, 1911 and 1912 (the last returns avail-

able) was 500,319; the emigration was 338,496, or nearly 68 per cent of the entries. The net gain in immigrants in these three years was thus but 161,823.

The population of the country will necessarily be a mixture of many races. Fortunately it is free of the negro problem which is such a handicap to Brazil. But whatever the preponderant blood may be, Argentina by force of its economic advance and the establishment of vast commercial interests which have been controlled by the Germans and English, has long been out of the revolutionary pale, and is a surprisingly rich, stable and rapidly advancing commonwealth.

The same though on a smaller scale may be said of Chile, which with an area a fourth larger than France, is a long narrow strip 2,600 miles long and but a hundred broad, barred from any eastward extensions by the Andes. The northern third is a desert rich however in copper and nitrates; the central third remarkably like California in climate and general character; the south like Scotland. Again the English and Germans are to the fore commercially though sixty years ago the American Wheelwright was the great promoter of Chilian advance, a fact which Chile has recognized in erecting a statue to his memory. Ethnically Chile is mainly Spanish with a strong English and German strain. In the south are still a hundred thousand of Aruacanian Indians, who now peaceful were never conquered. The whole population is less than 4,000,000, and as the immigration is but about 2,000 a year, it will be long before there will be much racial change. Twenty-five years has passed since the revolution due to the liberalizing ideas of the Balmaceda government. The revolution was at bottom moved by much the same ideas as those which are causing Mexican unrest. Madero was a Mexican Balmaceda. Both were the victims of their liberal ideas which continue dimly today in Mexico where the vast ignorant mass follows leaders, some of whom are almost equally ignorant, in the dim hope of alleviation, in some way, of their unfortunate lot.

Peru, Ecuador, Colombia and Venezuela are all in the category of states with a cultivated society of Spanish descent, moderate in number and who in general are responsible for the government and conditions of the country. But in the main the population of these is of an Indian and mixed race inert in character, densely ignorant and of extreme conservatism. Though we are dealing with great stretches it is with populations comparatively insignificant in numbers. Peru

is nearly three and a half times the size of the German Empire; Colombia twice the size of Germany and Venezuela nearly three times, Ecuador but a half. The populations are: in Peru less than three millions, in Ecuador one and a quarter, in Colombia about five and in Venezuela probably about a million and a half. That the Panama Canal will have a great effect upon the regions west of the Andes is undoubted, but it will be long before they are built into powerful states, with the exception perhaps of Chile.

Bolivia, but little less in area than three Germanys, with a mixed and Indian population of two and a quarter millions, and Paraguay the equal of three New Yorks, and with but 800,000, people, are practically Indian or semi-Indian states. The latter in its struggle against the combined forces of Brazil, Uruguay and Argentina in 1865 and 1866 lost so heavily that it is estimated that there are in the country but about a fourth as many men as women. It is thought that about 30,000 European immigrants have settled in the country in the last 32 years or an average of 1,000 a year.

We may pass by Central America whose population is made up much as that of its neighbors, and come to Mexico. The *Almanach de Gotha*, as reliable an authority as any existing, gives for the population in 1912 as 15,445,787. It also gives the nationalities of foreigners within its borders in 1910 as follows: Americans 19,586, Spaniards 24,212, French 3,971, English 4,771, Italians 2,068, Germans 3,645, Turks 2,563, Chinese 12,769, Japanese 1,922, Arabs 1,338, Cubans 2,394, Guatemalans (who can scarcely be looked upon as foreigners), 21,302—a total of 105,544. In other words as these are the totals of those established in the country through many years, there is practically no emigration to Mexico.

But what concerns us more: how are the 15,400,000 Mexicans made up? In spite of larger claims, I doubt if more than 1,000,000 are of pure Spanish blood; the other 14,000,000 and more are Indians and cross-breeds in all degrees, who taken generally are perhaps more ignorant, immoral, lazy and intemperate than any other 14,000,000 in the world. As the appropriation for schools is but about three and a half millions in American money it is readily seen that the great mass go without any education whatever. And this mass is in a state of peonage scarcely removed from slavery. It is perhaps the greatest mission field in the world, and perhaps the most neglected. I use the word mission not in the sense of a religious propaganda, but in that

of educational, moral and hygienic uplift. The attempt to plant in Mexico at this period of its development, our Protestant ideas of Christianity, would I believe result in utter failure and would be a sad mis-spending of money which would be much better used in teaching the a b c's of civilization and leaving them to their present religion which, in its way, is ingrained in the people. Upon such uplift depends in large degree our own safety. The staggering question is how to bring this uplift about. The impulse must come from without, apparently it cannot come from within "this poor and intensely ignorant mass."

The stern facts seem to be as I have stated. I would refer to the *Immigration Problem* by Messrs. Jenks and Lauch who were members of the United States Immigration Commission and who have put forth a summary of the report of that commission, in which they take a very disheartening view of Mexican immigrants to this country. They state that they engage practically only in unskilled work; their wages in the railway work are the lowest paid; very few become foremen; they can care only for eight acres of beets as against eleven by the Japanese; their standard of living the lowest, their lack of thrift the greatest of any immigrants; they learn English slowly; the attendance at school and intelligence of the children are much less than the average; they are likely to become public charges; they are quarrelsome and inclined to crime; they are less desirable as citizens even than as laborers; their progress is much slower than that of Japanese or Chinese.

A competent observer, Mr. A. W. Warwick, in a very sober and thoughtful article on the Mexicans in the *Forum* for January says:

The phenomenal growth of Mexico from 1900 to 1910 was not in any sense due to the progress of the Mexicans. There was no improvement in agricultural methods and from the Rio Grande to Yucatan there was not, so far as I am aware, a single railroad, factory, or irrigation project fostered by purely Mexican capital and designed and executed by Mexican engineers. Further, in spite of the long period of instruction by foreigners it is safe to say that the Mexican engineers and workmen could not efficiently operate the railroads, electric light works, smelters or factories of the country if all the foreigners were withdrawn.²

² A. W. Warwick, *Forum*, January, 1914, p. 45.

The same writer states that:

A high authority was very probably correct when he stated that between 50 and 55 per cent of all births in the republic were outside marriage relations. In some states the figures are much higher, in Hidalgo it was 80 per cent; in Michoacan it was 75 per cent, and in this same state the district of Zamora was credited with no less than 93.6 per cent of illegitimate births. Astonishing as these figures are they are entirely worthy of credence. Outside the larger towns probably 95 per cent of the people would be illiterate.³

This writer sums up the Mexican people as follows:

1. Mainly of Indian type.
2. Illiterate.
3. Mainly of illegitimate birth.
4. Inefficient as workers.
5. Intemperate.
6. Quarrelsome.

As long as the people have their present characteristics civil war will be more normal than peace and good order . . . although there may be peace enforced by an iron hand for a few years, the seething forces underneath the superficial crust of a commercial and land aristocracy will have their day, and it seems inevitable that the Mexican of this generation will live in short periods of peace frequently broken by more or less prolonged civil war.⁴

I think the situation is here exactly described. There is an aristocracy of a certain amount of culture, but itself of a blood which means unrest; and in the hands of this aristocracy is nearly all the land of the country, some of the estates running to thousands of square miles. Below this is a great seething mass largely of another blood and temperament, with nothing to aspire to because it does not know what aspiration means, but it knows in a dull way that it is treated badly and that it wants something better. The Mexican periodical unrests are in fact fundamentally agrarian with half-conscious efforts to become citizens instead of slaves. The great landed class has, as a class, never given a thought to the uplift of this mass of misery into citizenship, decency and well being. Certainly any true effort cannot, as just said, come from these poverty stricken ignorant millions. The situation, unless there should be developed a lofty patriotism and an almost impossible altruism

³ *Ibid.*, p. 44.

⁴ *Ibid.*

among the great landowners and the rich of Mexico (of which one scarcely sees a sign), appears almost hopeless. For such a condition one must hark back to the Dark Ages or to the Russia of generations since. And back of all this there still remains lowering gloomily the greater question as to the possibility of real development in the Aztec and other Indian races of Mexico. The Indian of Central and South America is even more stolid and unadaptable, so that we are in face of one of the great problems with no solution in sight. The only one that I can imagine is that he and his low mentality may disappear in the melting pot of a great immigration.

Brazil north of Rio de Janeiro (and I would recall that this means a region as large as the United States), is another and even more difficult problem. This vast region will finally and inevitably be peopled with a mixture in which the Indian and negro will predominate. From this there is no escape. The great basin of the Amazon with its many gigantic tributaries is a region in which the white man may live, but in which he can never thrive. This statement in my opinion is beyond question. The hope of Brazil lies in its great southern plateau, a region as large as the states of California, Oregon and Washington combined and in which the chief part of the population, rapidly increasing by immigration chiefly Italian, is white. Whether the colored race mixture of the north shall in the very distant future develop better qualities than those of the Mexican is extremely questionable. Neither the South American Indian nor the negro has in him constructive statesmanship. Hayti and Liberia are concrete examples of this truth applied to the negro if proof be needed, and surely the mixture of the two or of the two with the white to the extent that the last is probable, will scarcely give any better. It is very probable that the true African will find in northern Brazil a field of emigration, though the present chances are that he will select the United States unless in our immigration laws we couple Africa with Asia. Already some 50,000 negroes of alien birth have entered the United States; the Cape Verde negro of truest black is coming into New England by the thousands. These islands are but three hundred miles from the African coast, and the day is very near when this fever of emigration will reach the Congo region. Our apathy on this subject is a thing I fail to comprehend. We see the effect of the mixture of

the white and negro races, not alone in Portugal but in Naples, Sicily and Morocco. If one should wish to know the result in Portugal, he should read an article in the *Nineteenth Century and After* for January, 1914.⁵ Whatever the good qualities of the negro, I do not think that anyone will claim that his mixture with the white will improve the latter, but it is this mixture which we face as surely as the sun rises and sets. It is only a question in the long run of percentage. This I hold should not be allowed to increase by the new African immigration already in progress. If we have not courage to stop this our decadence has begun. I mention these facts of deep significance though they are not in over-close relation to our subject, for the earnest consideration of those who wish that our own shall not be a negroid people.

It is sufficiently clear that the whole of this hemisphere to the south is peopled by races essentially different from our own; that the ruling element is Iberic in blood (Spanish and Portuguese), becoming modified somewhat by numerous additions chiefly Italian and Spanish, but with many of nearly all European and some Asiatic peoples; that three at least have grown into rich, important and potentially powerful nationalities with stable governments. The Monroe Doctrine certainly does not apply to these as in the time of Monroe when they were weak provinces of Spain and Portugal, and when the Holy Alliance which had taken over the regulating of the continent of Europe threatened to extend its power to reduce to the dominion of Spain the feeble provinces which had declared their independence. One can scarcely imagine more different situations than those of 1823 and today. To apply this doctrine in the sense of standing by as a protector is naturally an irritant to a people in whom pride is a predominant characteristic. We know that intimation of such an attitude does irritate. Thus if we desire friendship, good fellowship and kindly feeling, why hold to an attitude of irritation and prevent this very desirable kindly feeling? I certainly can see no reason for it. No European or other power is ever going to attack Argentina, Brazil or Chile with any idea of establishing dominion over them. Such a thing is not within the possible. As for Venezuela, Colombia, the Central American states and Mexico, these border the Caribbean and for our own purposes of defense we

⁵ Francis McCullagh, "Portugal, the Nightmare Republic."

shall never peacefully permit the incorporation by a foreign power of these or any part of the neighboring Pacific coasts. The necessity of holding intact the Panama Canal would force this attitude upon us did no Monroe Doctrine exist. Such a policy is by the fact of the Panama Canal wholly independent of the Monroe Doctrine. Nor is it possible that the United States would ever desire to incorporate any of these regions. The immensely wide differences of race, temperament and character would forbid this even if principle were thrown to the winds. For this country to incorporate these great spaces with such different populations could only end in the overthrow of our system which is wholly unfitted for such a test. Rome failed; we should much more surely fail. There is, if I know anything of the American people, a strong and deep feeling against anything savoring of such adventure. Had it been otherwise an American army would have been in occupation of Mexico many months since.

I do not see that there is any wish on our part to play the rôle in America of the Holy Alliance in Europe. There can be little doubt that the three greater powers of South America would unite against any real foreign aggression. A true reading of the Monroe Doctrine today would thus be in such case to act as a friendly fourth power, as an equal among equals. To assume more would defeat our own purposes which, as I have said, I take to be the establishment of friendly and more intimate relations among the American republics.

And let us not forget the subject of manners. From the South American's point of view we have none, and he is not far from right. To explain in some degree what I mean I would have every one read chapter XII of Mr. Charles Macomb Flandrau's most capital book, *Viva Mexico*. We send abroad too many such as he there describes, who seem to think that in a foreign country reserve and propriety are useless restrictions. The conduct of persons of undoubted good standing at home but too often gives one the impression that our \$400,000,000 spent yearly on our public schools is spent to very small purpose if a better result be not obtained than that Mr. Flandrau describes, and which I am sure he does not exaggerate, for I know of worse in much more highly placed of our countrymen than such as he mentions.

Many have looked upon our actions in later years in Santo

Domingo and in some of the Central American states as exceeding that which is proper and just. I do not see it in this light. If we want precedent we need but look to Europe. I do not pretend to justify all or any that the Holy Alliance caused to be done in the suppression of revolution in Naples, Piedmont and Spain and still less its thought of reducing to Spanish dominion Spain's revolted American provinces. Its whole action under the domination of Metternich was hateful. But the action of the Powers in the Greek revolution, and in latter years in Crete, of England in Egypt, all of which worked for good, and the many cases of interference which might be cited which sometimes do not deserve praise are ample precedent for such action as we ourselves have taken and which has thus been correct diplomatically and has been equally correct ethically. It has not been stamped in anywise with selfish interest, but has been in the interest of general well-being and most particularly of the regions specially concerned.

Referring again to the Panama Canal we must take into account a fact not generally recognized: which is that the canal does not bring us commercially nearer to the east coast of South America. The great wall of the Andes will always be a barrier to trans-continental traffic. There is, it is true, a railway from Argentina to the Pacific and in time there may be others across the great range, so much more difficult of passage than the Alps, but it will be long before they will be in a position to make it preferable to transport cargoes between the United States and Argentina and Brazil to sending it by sea around Cape St. Roque, though in so doing ships must go 2,400 nautical miles east of the longitude of New York. The immensely greater convenience and cheapness of water transportation will long hold us to the all-sea route from our own ports to those of Brazil, Uruguay and Argentina which are our chief South American customers. An able authority⁶ estimates the cost of land carriage as twenty times that by sea; it is thus evident that bulk will never be broken so long as the sea will serve.

As these countries are so much more closely bound to Europe by race ties and by the habits, social and commercial, of generations, it will require much effort, much tact, a much greater study of usages and language and a cultivation of much better manners

⁶ Gibson Bowles, *Sea Law and Sea Power*.

than we usually show, besides the establishment of thoroughly good diplomatic and consular services to obtain an equal footing with our European rivals.

I repeat that above all else I would place the study of the temperaments, the psychics of the South American. In such study is the crux not alone of this but of every international problem, or of any problem concerned with the conduct of men, for in the study of psychics lies the study of the problem of all human thought and action. We have certainly ignored this as far at least as the South American is concerned almost *in toto*. It is time we were taking another course and knowing something of the soul of other races.

THE PRESENT STATUS OF THE MONROE DOCTRINE

BY REAR-ADMIRAL COLBY N. CHESTER, U.S.N.,

Washington, D. C.

The Monroe Doctrine is the cardinal principle of the foreign policy of the United States. It has been so construed for nearly one hundred years of our national history, and it so remains today, in spite of some statements that have been made to the contrary. "It is," as Jefferson said, "the offspring of the American revolution and the most momentous question offered to my contemplation since the Independence." When promulgating the doctrine as the basis of our foreign policy, President Monroe said in his message to Congress, December 2, 1823:

It is impossible that the allied powers (of Europe) should extend their political system to any portion of either continent without endangering our peace and happiness, nor can anyone believe that our southern brethren, if left to themselves, would adopt it of their own accord. . . . We owe it, therefore, to candor and to the amicable relations existing between the United States and those Powers to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety.

Two distinct and far reaching principles are laid down in the Monroe Doctrine. The first is the principle of "self-defense." Self-preservation is the first law of nature, and it is the first law of nations. In the case of the United States the national defense required, when the doctrine was enunciated, that the country should hold a protectorate throughout the entire western continent. The second principle is that South American republics, which followed our lead in declaring their independence, should have our protection in maintaining this doctrine for themselves. As Secretary Bayard once said: "The United States proclaimed themselves the protector of the western world in which she was the strongest Power," as "it was manifest," said his successor Mr. Olney, "that it was the only power on this hemisphere capable of enforcing the doctrine."

The first principle of the Monroe Doctrine—self-preservation—is axiomatic and immutable, and all other considerations must give

way to it. The second principle, like the constitution of a country, is amenable to changes or amendments that will bring it into accord with new conditions that may arise in the country. The question now is, therefore, do the same conditions prevail on the western continent today, that existed at the time President Monroe sent his message to Congress in 1823?

There have been so many different interpretations placed upon the Monroe Doctrine, by theorists and others, who know but little of its practical applications, that it is necessary to recall a little of its history in order to obtain a clear understanding of the subject. In the early twenties of the last century, the whole of Europe became alarmed at the unsettled political outlook caused by the American and French revolutions, which had shaken every throne on the continent, and bid fair to undermine monarchical government. Three of the great powers, Russia, Prussia and France (once again a kingdom), then formed what is known as the "Holy Alliance," on account of their common religious affiliation, for the purpose of staying the tide of freedom which threatened to overwhelm them. They then prepared to recapture the South and Central American republics, which had recently severed their connection with Spain, and make them appendages to European monarchies. England was, at the time, the only constitutionally governed country in Europe, and fearing that the "balance of power" between the European states might again be disturbed by such a combination, she, with no desire to promote republican institutions, however, proposed an alliance with the United States. Naturally neither country could harmonize its views on such a matter, and no political combination was formed, but an understanding was reached that England would not interfere with any action that America might take in the matter, thus giving her quasi approval to the message sent to Congress by President Monroe. Had it become necessary for the United States to take any overt action, at that time, in support of the Monroe Doctrine, this country would have had the moral support at least of the British government; but we now could hope for no aid from that country, and it is doubtful, indeed, if we could count on the approval of the Latin Americans, for whom, more than for ourselves, the doctrine was established, unless we harmonize some of our conflicting interests with them.

We should not fail to remember that the South American republics were in their infancy at the time the Monroe Doctrine was de-

clared, and were struggling for freedom against great odds. The United States proclaimed herself the protector of the western world as a matter of necessity, for without her aid the newly formed republics were helpless to battle against the great odds opposing them. The declaration of the Monroe Doctrine constituted, therefore, the most significant and decisive act towards guaranteeing the independence of all the American states that could have been devised. It produced the prompt recognition of the infant republics of South America by the English in 1823, and performed a service for Great Britain herself, of which Canning, the secretary of British foreign affairs, said: "I have brought out a new world in order to reëstablish the equilibrium of the old."

The question today, as far as our own national defense is concerned is, would it be a menace to interests centered so far away as the United States, if a European power, whose political and even religious aspirations may be the same as our own, should attempt to acquire territory in Argentina for instance? Such an assault would of course affect the interests of that country, but should the United States attempt to interfere in the matter unless asked by Argentina to aid her in throwing off the menace that assailed her? In case of assisting her we would become her ally, and probably one of many powers that might join with her in resisting the attack. It would seem, now that the continent is cut in twain by the construction of the Panama Canal neutralizing if not destroying the value of the old trade route between the Atlantic and Pacific oceans via Cape Horn, that it would have no material effect on the "vital" interests of the United States, if a forcible attempt should be made by some European power to take one of the Argentine islands, situated at the extreme end of the continent. It is such changed conditions in the political relations with our South American brethren as this, that call for some new arrangements concerning the application of the Monroe Doctrine.

The principle that the affected country had paramount importance in its own affairs, unless they related to interests of a combination of which she was a part, was admitted by President Cleveland, in his celebrated message sent to Congress in 1895, commonly known as the "Venezuela case." In this message he stated (with some logical defect, I think, as far as Venezuela is concerned, as I shall endeavor to show later on), that if that country wished to *sell* any

portion of her territory to Great Britain, she had a perfect right to do so, and the United States had no right to interfere in the matter. This principle might apply to Argentina, at the present time, but such an act of selling a portion of her territory to a European state would not have been tolerated by the United States in 1823, under any circumstances; for Mr. Monroe then said in no uncertain words, that, "any attempt on their part (Europeans) to extend their system to any portion of this hemisphere (would be) dangerous to our peace and safety."

On account of changed conditions in South America at the present time, there is a growing disposition on the part of some well informed Americans to limit the territorial extent to which the Monroe Doctrine should apply to the states that lie to the northward of the Amazon River; but such a limitation would be met with difficulties surpassing, in my opinion, those we should attempt to escape. By holding a protectorate over this restricted field only, we throw out of consideration all fellowship with the states to the southward of this line of demarcation, at once causing jealousies among the larger and more important of the South American republics, making them enemies of our defensive policy as selfish in its nature, and would most likely tend to add their moral support to our many commercial rivals and antagonists.

Leading statesmen of Brazil and other South American republics have declared that the Monroe Doctrine is discredited in the republics for whose benefit it was devised, not that they do not appreciate the good intentions of the United States, but they deny the right of this nation to appoint itself a guardian over their welfare. A doctrine founded upon the principle laid down by James Monroe, but giving the right of a protectorate to the powers in general and not to any country in particular, would be the ideal doctrine, in the belief of the people of Latin America.

As exemplifying the interests and aspirations of the South Americans in this connection I would relate the following:

On the 15th day of November, 1894, the fifth year of the foundation of the republic of Brazil, in the presence of the representatives of the principal American republics, including the United States, was laid in the city of Rio de Janeiro, the corner stone of a monument to American solidarity. Under this stone this official record lies: "The monument which will be erected on this spot in which this stone is laid, and which will symbolize the political union of

the different nations of the continent of Columbus, will be surmounted by the figure of James Monroe, author of the celebrated doctrine known by his name, which teaches that the nations of the new continent should unite for the purpose of preventing any undue interference of the nations of Europe in the internal affairs of America. Around the principal figure will be grouped the great national liberators of America, Washington, Jefferson, Juarez, Toussaint L'Ouverture, Bolivar, Jose Bonifacio and Benjamin Constant."

I give you this incident and picture to study in contrast with another view depicting the scowling faces of many South Americans, from whom we are just now seeking commercial advantages, who spurn the foreign policy of the United States as it now stands, shun its commercial policy and belittle its domestic policy.

No, it were better in my opinion, to maintain the original jurisdiction of the Monroe Doctrine, but to recognize the fact that many of the twenty other American republics are no longer the weaklings they were when the policy was formulated, unable to defend themselves, but are now strong enough to share in the common defense of the continent, and act in consonance with them in maintaining the political rights of all.

We cannot, however, with propriety form an "alliance," for that word has been tabooed by an unwritten law of the land; but we can engage in an "entente," as foreigners call it, with the republics of South America that will give them a share in the responsibility of maintaining a policy which looks to the general good of all parties concerned.

Let us form then, not an alliance, but a "concert of action" after the principles of the Monroe Doctrine, similar to that established in Europe for the support of the doctrine known, there, as "the balance of power," which will show that all the states interested hold the same opinion regarding this doctrine. The moral effect of such an "entente" will be sufficient to stay the hand of any European nation, which may seek political annexation of American territory.

Aside from all considerations of our own self-interests, should the United States arrogate to herself the right to dictate a policy to the Latin-American states, which concerns their vital interests quite as much as our own, and which they resent as "bossism," now so universally abhorred, and which is belittling to their self-respect? Should we not, on the other hand, urge such powerful nations as Argentina, Brazil and Chile, and such others as may be useful to the cause, whenever they may be able to maintain stable governments

for a sufficient length of time to warrant it, to join with us in carrying out a general policy that is of mutual advantage to all republics on the continent? Call this part of our international policy by the name of the Monroe Doctrine, if you will, or by the term "America for the Americans," which will probably better please our confreres in the south, and at the same time be in accord with the general principle of the Monroe Doctrine.

Having made a compact with the South American republics as suggested the United States would be in a better position to devote attention to those matters which more especially affect her interests at home and in nearby states, where foreign aggression would jeopardize its vital interests.

There is a field, in which the interests of the United States as far as they relate to the basic principle of the Monroe Doctrine—"self-preservation"—are paramount, the protection of which cannot be shared with any other nation. This district comprises the countries lying contiguous or adjacent to our own, bordering on the Caribbean Sea or the Gulf of Mexico. The right of the United States to protect these countries from foreign aggression has been recognized in many ways by European countries, and the protection of "the father of republics" has been called for, and accepted so many times, as to establish this policy of the American government as an inalienable right. Notable instances were when the United States drove the French out of Mexico in 1865, and again when Spain was forced to give up her control in Cuba in 1898.

But aside from the fact that "self-protection," the basic principle of the Monroe Doctrine, compels the United States to take cognizance of the political affairs of Mexico, the Central and South American countries bordering on the Gulf of Mexico and the Caribbean Sea, we have assumed an obligation here in behalf of the interests of the whole world, that makes it imperative that these countries and seas shall be under the supervision of the United States, and we have also by treaty stipulated that no other country shall share in this protectorate. By the Hay-Pauncefote treaty, and the one recently made with Panama confirming its main features, the United States agrees, not only that the American "canal shall be free and open to the vessels of commerce and of war of all nations," but, guarantees that "the canal shall never be blockaded nor shall any right of war be exercised nor any hostility be committed within it.

The United States, however, shall be at liberty to maintain such military police along the canal as shall be necessary to protect it against lawlessness and disorder." This is a most sweeping assumption of responsibility, and the fact is the United States cannot protect the world's interests in the Panama Canal, without maintaining naval control of the seas that wash her shores on the south, as well as holding supervision of the foreign relations of the countries bordering on those seas.

The Caribbean Sea holds the base of the American fleet at Guantanamo, Cuba, and its advance base at Culebra, Porto Rico. In fact all the essentials for properly defending the canal lie in the region covered by its waters and those of the Gulf of Mexico. For all military purposes, therefore, these seas must be considered "The greater Panama Canal Zone," and the naval policy of the United States the only guide to perfect peace within their limits.

In defending the continental policy of "America for the Americans" the United States will have ample cause for keeping up an efficient navy, and to protect the seven thousand miles of coast line, including "the greater Panama Canal zone," she will need every ship that our non-military people will authorize to be constructed.

It has been well said that the Monroe Doctrine is as strong as the navy of the United States, and in view of the fact that our countrymen insist on maintaining but a small navy as compared with those that might be brought against it in combination, our people should avoid creating enemies, who might be tempted, in order to protect their own interests, to form an alliance with more power than we could bring to bear against them. In this connection I would recall the visit of Senator Root to South America in 1906, which, at the time, produced a friendly feeling between the North and South Americans, that lately has been greatly augmented by the forceful presence of his then chief, President Roosevelt, in that country. The sojourn of these two greatest of American statesmen in the South, has done more to cement the ties of fellowship between the two sections of the continent than anything that has occurred in the political lives of its people in many years. Dr. Edward Everett Hale once said of the first visit, that it was the most important event that had taken place in the history of the country during the first decade of the century, not excepting the peace of Portsmouth, and nothing has yet arisen in the second decade, which, I believe, will have greater influence in

strengthening this feeling than the expedition of Colonel Roosevelt to South America. As this last occasion took place at a significantly opportune moment, just before the opening of the Panama Canal, when we are about to inaugurate a new departure in our foreign trade relations, its commercial value is very important.

Let the United States follow up these auspicious visits of our countrymen to the Southland, and, in the words of the Hon. John Barrett, director of the Pan-American Union, "take advantage of the opening of the Panama Canal, to signalize formally, as it were, the beginning of a new Pan-American era in which the Monroe Doctrine, which represents the dictum of one government in the family of nations, shall evolve into a greater Pan-American doctrine, which shall represent the mutual interest and protection of all."

It is better to make friends than to build guns.

THE MONROE DOCTRINE AND ITS APPLICATION TO HAITI

BY WILLIAM A. MACCORKLE,
Former Governor of West Virginia.

THE ORIGINAL MONROE DOCTRINE

In the discussions to which this interest has given rise and in the arrangements by which they may terminate, the occasion has been judged proper for asserting, as a principle in which the rights and interests of the United States are involved, that the American continents, by the free and independent condition which they have assumed and maintain, are henceforth not to be considered as subjects for future colonization by any European powers.

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The political system of the allied powers is essentially different in this respect from that of America. This difference proceeds from that which exists in their respective Governments; and to the defence of our own, which has been achieved by the loss of so much blood and treasure, and matured by the wisdom of their most enlightened citizens, and under which we have enjoyed unexampled felicity, this whole nation is devoted. We owe it, therefore, to candor and to the amicable relations existing between the United States and those powers to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety. With the existing colonies or dependencies of any European power we have not interfered and shall not interfere. But with the Governments who have declared their independence and maintained it, and whose independence we have, on great consideration and on just principles, acknowledged, we could not view any interposition for the purpose of oppressing them, or controlling in any other manner their destiny, by any European power in any other light than as the manifestation of an unfriendly disposition toward the United States.

* * * *

Our policy in regard to Europe, which was adopted at an early stage of the wars which have so long agitated that quarter of the globe, nevertheless remains the same, which is, not to interfere in the internal concerns of any of its powers; to consider the government *de facto* as the legitimate government for us; to cultivate friendly relations with it, and to preserve those relations by a frank, firm and manly policy, meeting in all instances the just claims of every power, submitting to injuries from none. But in regard to those continents circumstances are eminently and conspicuously different. It is impossible that the allied powers should extend their political system to any por-

tion of either continent without endangering our peace and happiness; nor can any one believe that our southern brethren, if left to themselves, would adopt it of their own accord.

* * * *

President Roosevelt's interpretation of the later doctrine:

We must recognize the fact that in some South American countries there has been much suspicion lest we should interpret the Monroe Doctrine as in some way inimical to their interests, and we must try to convince all the other nations of the continent once and for all that no just and orderly government has anything to fear from us. There are certain republics to the south of us which have already reached such a point of stability, order, and prosperity, that they themselves, though as yet hardly consciously, are among the guarantors of this Doctrine. These republics we now meet not only on a basis of entire equality, but in a spirit of frank and respectful friendship which we hope is mutual. If all the republics to the south of us will only grow as those to which I allude have already grown, all need for us to be the especial champions of the doctrine will disappear, for no stable and growing American republic wishes to see some great non-American military power acquire territory in its neighborhood. All that this country desires is that the other republics on the continent shall be happy and prosperous; and they cannot be happy and prosperous unless they maintain order within their boundaries and behave with a just regard for their obligations toward outsiders. It must be understood that under no circumstances will the United States use the Monroe Doctrine as a cloak for territorial aggression. We desire peace with all the world, but perhaps most of all with the other peoples of the American continent. There are of course limits to the wrongs which any self-respecting nation can endure. It is always possible that wrong actions toward this nation, or towards citizens of this nation, in some state unable to keep order among its own people, unable to secure justice from outsiders, and unwilling to do justice to those outsiders who treat it well, may result in our having to take action to protect our rights; but such action will not be taken with a view to territorial aggression, and it will be taken at all only with extreme reluctance and when it has become evident that every other resource has been exhausted.

THE LODGE RESOLUTION

Resolved, that when any harbor or other place in the American continents is so situated that the occupation thereof for naval or military purposes might threaten the communications or the safety of the United States, the Government of the United States could not see, without grave concern, the possession of such harbor or other place by any corporation or association which has such a relation to another Government, not American, as to give that Government practical power of control for national purposes. . . .

That the Monroe Doctrine made its apparent advent in the history of nations so late as the time of the President of that name, has,

to a certain extent, diminished its importance as a part of the fundamental and international life in the thought of the nations of the world. Whilst this doctrine did not form part of the written law of this country, still it originated in the very life of the American Republic, and is not, as a matter of truth, the doctrine of President Monroe but rather the doctrine which was part of the actual life of this republic in its inception. It was enunciated as a foundation proposition of our government by Washington, was interpreted and insisted upon as part of our fundamental life by Jefferson, and finally upon the historic occasion, established as the Monroe Doctrine.

Writers are fond of frequently repeating the statement that the Monroe Doctrine is not part of the international code, but that it is merely a policy of this government and only so understood in the law of nations. Whilst this may be the thought among other nations, the Monroe Doctrine is as absolutely part of the life of this republic, in its dealings with the nations of the world, as any doctrine of international law expressed and published as such by the nations of the world. It is fundamentally the Doctrine of the greatest and most powerful nation on earth, and so understood to be a primary doctrine by the hundred millions of people forming the great western republic. If it is not technically part of the code of international law, it is the belief of our people that it forms an essential part of the structure of our national life.

Secretary Foster stated:

It has been said that the Monroe Doctrine has no binding authority, first, because it has not been admitted into the code of international law; and, second, because it has never been adopted or declared by Congress. In reply, it may be said that the principle which underlies the Monroe Doctrine—the right of self-defense, the preservation of the peace and safety of the nation—is recognized as an elementary part of international law. . . . It stands today as a cardinal policy of our government.

While this doctrine may be a policy and not a part of the technical code of international law, it has for one hundred years held the hands of the mightiest nations on earth, who have recognized its potency equally with the recognition which they have extended to any principle of international law. The law of self preservation is the most fundamental and absolute of all the laws of nations. The Monroe Doctrine is the one vital doctrine, which in our intercourse with other

nations most vitally controls "our peace and happiness" and "our peace and safety." It is idle for any authority to contend that a principle so vital as this does not have the real potency and effect of international law. Throughout the discussions by the fathers and by those who latterly placed the doctrine in active effect, the one continuing thread runs, that underlying this doctrine are "the peace and safety" and "the peace and happiness" of the American nation. This doctrine was in one sense of the word a negative proposition. With the life of the world it has changed, not in its fundamental idea, for it is founded upon the preservation of the safety and peace of this republic, but the change has come, to a certain extent, with the altered condition of the times and the surroundings of our life, in the mode of our application of its principles.

In this discussion we found our argument upon the Monroe Doctrine, both in its original and its later construction. We believe, as a cardinal principle of its application, that independence is fundamental. To differ with another country in its ideas of government will form no reason why we should deprive any country of its governmental life and existence. We concede that because of the difference in thought, as to governmental policy, we should not interfere with, or establish over any government a suzerainty or control. We do not contend that the Monroe Doctrine applies to a country, unless the acts of that country interfere with the doctrine in our interpretation of its principles as to control by European nations, or unless it interferes with the preservation of our peace and safety, or unless it commits a breach of international law.

The distinguished president of the Academy has assigned to me the subject of "The Monroe Doctrine, Especially Considered as to its Application to the Republic of Haiti." Let us see if the conditions arising in this island interfere with any of the canons of this doctrine.

The island of Hispaniola, containing Haiti and San Domingo, includes about 28,250 square miles, and the Republic of Haiti about 10,200 square miles. The island is about the size of the combined States of Delaware, Massachusetts, New Jersey, New Hampshire and Rhode Island. Next to Cuba, it is the most important strategical point in the Gulf of Mexico and the Caribbean Sea. It is directly on and commands the two great passages of the Atlantic Ocean into the Caribbean Sea from the eastern coast of the United States to and from

the canal. It thus practically controls the great bulk of the commerce of the United States to the East and the Pacific Ocean.

This island has within its shores more natural wealth than has any other territory of similar size in the world. By reason of its rich valleys and splendid mountains it has every temperature known to man. All tropical plants and trees, as well as the vegetables and fruits of the temperate climes, grow in perfection. The best coffee known to commerce grows wild without planting or cultivation. Sugar cane, indigo, bread fruit, melons, mangoes, oranges, apples, grapes, mulberries and figs all grow with little labor or care. Mahogany, manchineel, satin wood, rose wood, cinnamon wood, log wood, the pine, the oak, cypress and palmetto grow in rich profusion in its splendid soil. Here are the best dye stuffs known to commerce, and in the earth are silver, gold, copper, lead, iron, gypsum and sulphur. We hazard the statement that this island is more capable of supporting life in all of its phases, more able to create wealth and diffuse happiness to its people than any other land on the face of the earth. Its harbors are incomparable and will float the navies of the world. Its atmosphere is salubrious and its climate healthy. It is a natural paradise and the description of its beauty and resources by Columbus is absolutely true as of today:

In it there are many havens on the seacoast, incomparable with any others I know in Christendom, and plenty of rivers, so good and great that it is a marvel. The lands there are high, and in it are very many ranges of hills and most lofty mountains incomparably beyond the Island of Centrefei (or Tene-riffe); all most beautiful in a thousand shapes and all accessible, and full of trees of a thousand kinds, so lofty that they seem to reach the sky. And I am assured that they never lose their foliage, as may be imagined, since I saw them, as green and as beautiful as they are in Spain in May and some of them were in flower, some in fruit, some in another stage, according to their kind. And the nightingale was singing, and other birds of a thousand sorts, in the month of November, round about the way I was going. There are palm trees of six or eight species, wondrous to see for their beautiful variety; but so are the other trees and fruits and plants therein. There are wonderful pine groves and very large plants of verdure, and there are honey and many kinds of birds, and many mines in the earth; and there is a population of incalculable number. Espanola is a marvel; the mountains and hills, and plains, and fields, and the soil, so beautiful and rich for planting and sowing, for breeding cattle of all sorts, for building of towns and villages. There could be no believing, without seeing, such harbors as are here, as well as the many and great rivers and excellent waters, most of which contain gold. In the trees and fruits and plants, there

are greater diversities from those of Juana (Cuba). In this there are many spiceries and great mines of gold and other metals. The people of this island and all others that I have seen, or not seen, all go naked, men and women, just as their mothers bring them forth.

The seas which are today actually and prospectively most important to mankind are the Mediterranean Sea, the Gulf of Mexico and the Caribbean Sea. These seas, in their importance, have waxed and waned as have all other lands and seas of the globe. Whilst the Mediterranean has been important throughout history, today, as a part of the chain of communication to the East, it is probably more vital than ever in its history, for it commands the Suez Canal and is virtually part of the Suez route. The two great twin seas, the Gulf of Mexico and the Caribbean Sea, are, if possible, more vital than the Mediterranean in their effect upon the commerce of the world. From their position they will be more world-wide in their direct influence upon commerce than the Mediterranean, because these two seas will embrace a greater part of the world.

It is necessary to our subject briefly to discuss the location of Haiti, (see p. 34) both in its strategical and trade positions. We would say that in the Gulf of Mexico and the Caribbean Sea there are five great strategical positions, the mouth of the canal, the mouth of the Mississippi, Cuba, Haiti, and Jamaica. The mouth of the Mississippi necessarily will command the great central valley of the United States, and here will be one of the great positions in the trade of the world. From the mouth of the Mississippi to Colon our commerce will have a straight course, passing Cape Catoche, the outermost point of Yucatan, and Cape Gracias a' Dios on the Mosquito Coast. This route will pass the island of Mujeres, which is not important, but will be within easy striking distance of the great island of Jamaica owned by Great Britain.

The island of Cuba is the great controlling strategical influence in the Caribbean Sea and the Gulf of Mexico. It lies across the route from North America, and largely commands the route from the mouth of the Mississippi to the eastern opening of the canal. It controls the passage from the Gulf of Mexico into the Caribbean Sea through the Yucatan Channel, and into the Gulf of Mexico from the Atlantic by the Florida straits. It is the great controlling strategical influence in the Gulf of Mexico and the Caribbean Sea.

The second great strategical point is the island of Haiti.

The two great routes to the mouth of the canal from North America are, first, the route by the Windward Passage between the island of Cuba and the island of Haiti. Second, the route by the Mona Passage between the island of Haiti and the island of Puerto Rico. This latter passage will be that chiefly used by the sailing vessels to and from the canal to the eastern portion of North America. The other important passage to the mouth of the canal is the Annegada Passage by the island of St. Thomas and Puerto Rico, and will be the route used from the isthmus to the Mediterranean and Central Europe. The travel to the British Islands and northern Europe will also use the Mona Passage between Haiti and Puerto Rico. In other words, every ship sailing from New York, Philadelphia, Charleston, Canada, Baltimore, Newport News or the eastern coast of North America on its journeys to the infinite world of commerce will be compelled to pass by the island of Haiti, either through the Windward or the Mona Passage, and the travel to the greater part of Europe will use the Mona Passage by the East Coast of Haiti. This world-wide commerce, in case of stress and storm on its voyage to the commercial world, must utilize this great island in the necessities of sea life. It is the first great harboring place on its way to the canal, and on its return it is the last stopping place. It will be as necessary to the commerce of this country as Malta or Aden or Gibraltar are to the Suez route. It lies athwart the greatest commerce that will cleave the seas.

In the present governmental condition of Haiti, and with its relation to this country, the island of Jamaica will be supremely important from a strategical standpoint, if controlled or held by an unfriendly power, and it could cripple our commerce passing through the Windward or the Mona Passage. With the friendly influence of Cuba and Haiti the commerce of the United States would have a tremendous advantage in case of war or unfriendliness on the part of any nation, even if Jamaica was held by an unfriendly power.

It is usual to speak of the Caribbean Sea and the Gulf of Mexico as the American Seas, and to consider them as part of our life and practically within the control of this great nation. It is important to glance at these great seas and appreciate how they and the canal are environed about and controlled by islands, which would become vital to our commerce in case of war or unfriendliness of the nations

of Europe. First, is the island of Jamaica owned by Great Britain, which is practically at the mouth of the canal. Of almost equal importance is the island of Curacao, which in the hands of an unfriendly power would be disastrous in its effect upon the commerce of the canal. To the east and within striking distance are Martinique, in the hands of France, Santa Lucia owned by England, St. Thomas owned by Denmark, the Bahamas and the Bermudas in the hands of England, with Cuba and Haiti in independent control, neither of which last two could be utilized by the United States in case of conflict with the other nations of the world. In other words, the Gulf of Mexico and the Caribbean Sea are environed by islands in the control of the two great nations of the world, France and England, and by two great islands, Haiti and Cuba, the latter of which are strategically so situated that they could largely control the commerce of practically half of the world. In this sea the United States, to which this commerce is supremely vital, with the exception of the harbor of Guanatanamo in Cuba, controls only the relatively insignificant island of Puerto Rico. Outside of these unimportant exceptions the United States has no right to fortify any of the islands or to use them as bases from which we can protect our commerce and our rights in the canal.

Let us consider, as briefly as possible, the governmental and social condition of the republic of Haiti, so importantly located as it is, and the probability of its becoming a menace to the fundamental principles of the Monroe Doctrine. It is important for us to see if it offends against the peace and safety of this country. This is not a pleasant subject of discussion. No one cares to indict a whole people, but the question of the future of this island in its relations to this republic, is one of deep and abiding importance to the American people, and surely in the conditions of today worthy of discussion in the publications of this society.

It is practically part of the shore line of our republic, and is in control of the avenues of our greatest routes of commerce to the world, and lies at the mouth of the canal which has cost us untold sums of money. Through its great passages will flow the bulk of our commerce to the East, and the question for consideration with the American people is whether this commerce should oftentimes be placed in the control of a government continuously engaged in internecine war, revolution and insurrection and sunk in religious

and governmental degeneracy. The question is vital to us, as to whether the condition of this island, so important to us, will ultimately lead to interference on the part of European nations or compel us, in order to preserve the peace and safety of our country, to provide, by some means, that its present condition be changed, and, instead of being a menace to the peace and safety of our republic, it may become a blessing to the world and a protection to the commerce, which will be the greatest ever witnessed since the keels of mankind's ships began to cleave the water in their quest for knowledge and riches throughout the world.

Let us, as briefly as may be, answer this question by giving the condition of this island as set out by those who have visited its shores and who are conversant with its conditions. That which shows the real life of a nation is its governmental policy and its religious ideals. To these two propositions I invite your attention.

Since the evacuation by the French, Haiti has been a land of seething revolution, despotism and crime against religious and governmental law. With the forms of a free government, yet it has been a despotism unrivaled in its disregard for human rights. A general of a department, with a ragged army of banditti behind him, who by blood and rapine seizes control of the government, oftentimes without the pretense of the forms of an election, has generally furnished the horrid phantasmagoria which since the French evacuation has posed in the Haitian Republic under the guise of free government.

Says Ober:

Founded as it is upon force, with the strongest man at the head, nominally as president, but in reality a dictator, the Black Republic cannot endure another century as it is going now, without calling to it the attention of the world, and exciting its strongest reprobation. It is the desire of more than one government that the United States should take this irresponsible island republic in hand and administer to it a salutary lesson. Nothing short of extermination, some aver, could effect a reform in the Haitian body politic; but as this age does not tolerate the radical measures of the olden time it is not probable that the present generation will experience a reformation. Sir Spencer St. John, who was formerly the English Minister-Resident in Haiti, and who wrote an exhaustive account of the doings in the Black Republic, says, of it, amongst other things not complimentary: "No country possesses greater capabilities, or a better geographical position, or more varied soil, climate or production, with magnificent scenery of every description; and yet it is now the country to be avoided, ruined as it has been by a succession of self-seeking politicians, without honesty or patriotism."

Says Froude in *The English in the West Indies*.

The island being thus derelict, Spain and England both tried their hand to recover it, but failed from the same cause, and a black nation, with a republican constitution and a population perhaps of about a million and a half of pure-blooded negroes, has since been in unchallenged possession, and has arrived at the condition which has been described to us by Sir Spencer St. John. Republics which begin with murder and plunder do not come to much good in this world. Haiti has passed through many revolutions, and is no nearer than at first to stability. The present president, M. Salomon, who was long a refugee in Jamaica, came into power a few days back by a turn of the wheel. He was described to me as a peremptory gentleman who made quick work with his political opponents. His term of office having nearly expired, he had reëlected himself shortly before another seven years and was prepared to maintain his right by any measures which he might think expedient. He had a few regiments of soldiers, who, I was told, were devoted to him, and a fleet consisting of two gunboats commanded by an American officer to whom he chiefly owed his security.

Says Rear-Admiral Colby M. Chester, U. S. Navy, a most careful and distinguished observer, in his article in the *Geographical Magazine* on "Haiti: A Degenerating Island:"

It is not possible within the limits of this paper to go into details regarding the turbulent history of Haiti. The fact that of its twenty-one rulers, from Dessalines to the one now holding power, four only have completed their terms of office, the most of them being driven out of the country, will show the general tendency of the people to revolution. History is here constantly repeating itself, summed up in the general statement that the "outs" are always struggling to get into power, while the "ins" are striving to retain possession of the spoils of office.

It is said that Haiti is getting blacker and blacker, the white element having been practically exterminated or removed from the island. . . .

In all its political history, Haiti, the beautiful, has been torn almost to shreds by its turbulent inhabitants, led on by a few aspiring chiefs, who rarely have had any other object in view than personal gain.

Says Stephen Bonsal in *The American Mediterranean*:

Of course, if Haiti were a true republic the people would have an opportunity to correct the abuses from which they suffer by exercising the manhood franchise to which, under the constitution, they are entitled, but, of all farces and travesties of popular institutions which are so prevalent in the Black Republic, that of the so-called popular elections is the most flagrant. Elections to the chamber are held or not held, not as prescribed by law and at the proper intervals, but simply when and how it may suit the personal convenience and private profit of the supreme military chief of the day. If he can secure

more money in bribes from the deputies already assembled and in session than is offered by those desirous of legislative honours and opportunities for corruption, then the old chamber remains on indefinitely. If the new men offer to the military chief a sufficiently substantial inducement, the legislature in being is dismissed, although it may have enjoyed only a month of life, and new elections offered.

Again says Bonsal:

In the winter of 1907-08, when twenty-two of the adherents of Dr. Firmin fell into the hands of the administration general at St. Marc, that officer walked them out to the nearest cemetery, and after they had dug a trench deep enough to hold their bodies, had them shot and buried. He then reported to his commander-in-chief, President Nord Alexis, the occurrence textually as follows:

"Feeling confident that my procès verbal of the affair, which I shall have drawn up at the earliest possible moment, would meet with your excellency's approval, to save time, I have executed the twenty-two prisoners—provisionally." This butcher never received a word of censure, but, on the contrary, was promoted by his chief.

The first effort is to obtain possession of the custom house, so as to provide the sinews of war and to obtain perquisites for those in charge of the revolution. Then ensues a massacre of those who followed the unsuccessful aspirant for the presidency.

At its head is a president assisted by two chambers, the members of which are elected and hold office under a constitution of 1889. This constitution, thoroughly republican in form, is French in origin, as are also the laws, language, traditions and customs in Haiti. In practise, however, the government revolves itself into a military despotism, the power being concentrated in the hands of a president. The Haitians seem to possess everything that a progressive and civilized nation can desire, but corruption is spread through every portion and branch of the government. Justice is venal, and the police are brutal and inefficient.—*Encyclopedia Britannica*.

Says Hazard in *San Domingo and Haiti*:

But the same causes which tended then to demoralize the country and unsettle its people are those that render it a hotbed of revolution today. The bankruptcy of its treasury, the ambition of aspiring chiefs, the hatred of disappointed ones, and the want of any regular system of commerce and agriculture, with the incubus of an army living in idleness and eating up the substance of the land, must have their effect.

Official peculation, judicial murder, and utter corruption of every kind underlie the forms and titles of civil government; the religion, nominally Christian, is largely vaudoux or serpent-worship, in which actual and horrible

cannibalism is even now a most important element. Instead of progressing, the negro republicans have gone back to the lowest type of African barbarism.—*Chambers Encyclopedia*.

A land of continuous revolution.—*Encyclopedia Britannica*.

A fair illustration of their system of election is exemplified in the so-called election of Nord Alexis in 1902. Being in control of the government forces and not having been known as an aspirant for the presidency, upon the assembling of the national assembly, Alexis demanded that he should be elected president. To his repeated demands the national assembly paid little attention. On the eve of his so-called election his troops in the field surrounded the palace, falling into firing groups. In the palace preparations for a banquet were in progress. Entering the national assembly he notified it that its members could elect him president and go to the banquet, or face the firing squads being formed in the yard. He was elected by acclamation. This is but one of hundreds of illustrations of the hollow pretense of free government in this island. An election means nothing but a revolution flowing with blood. It is a battle or a massacre, and this has been practically a continuous proposition ever since the French evacuation. The government is a despotism pure and simple, which fattens upon the blood of an ignorant people, and is only a horrid pretense of free government. It is gradually and surely degenerating and its conditions must ultimately become worse. Read the record of its unstable and gory governmental life:

- 1804. Dessalines crowned as emperor.
- 1806. He is assassinated; war between Haiti and San Domingo.
- 1807. Christophe becomes king under title of Henry the First, war.
- 1811. Pétion president of southern part; civil war.
- 1820. Boyer declared regent for life; after tremendous insurrection and flow of blood Christophe commits suicide.
- 1843. Boyer deposed and exiled after revolution.
- 1844. Rivière exiled after one year; war.
- 1845. Guerrier in office one year.
- 1845. Pierror abdicated.
- 1846. Riché proclaimed president; died in one year.
- 1847. Soloque declared emperor after many wars and much bloodshed; exiled in 1859.
- 1858-59. Geffrard president until 1867, and then exiled.
- 1856-67. Dreadful revolution where Salnave revolts, takes refugees from British consulates and kills them; English ship drives them out and helps Geffrard; Geffrard banished, Salnave made president with a new constitution; revolt suppressed amidst torrents of blood.

- 1868-70. Continual revolution; Salnave massacres his enemies; proclaims himself emperor, is finally defeated and shot.
- 1870-74. Nissage Saget completed his four years.
1874. Domingue seized the government, and after bloody revolution exiled in 1876.
1876. Canal after bloody revolution seizes power; after many revolutions he is expelled in 1879.
1879. Salomon elected; reelected 1886.
1888. Salomon deposed and exiled; civil war between Hipolyte and Legitime; Legitime placed in office for one year and exiled.
- 1889-96. Hipolyte after many insurrections died in office; supposed to be poisoned.
1896. Simon Sam president; trouble with Germany; numerous disorders until 1899.
1900. Sam takes all the funds and leaves the country.
1902. General Nord Alexis proclaimed president.
1908. Nord Alexis retired by revolution; powers sent warships to stop massacre.
1911. Cincinnatus Le Conte proclaimed president; killed in 1912.
1912. Tancrede Auguste appointed president; killed in May 1913.
1913. Michael Orrestti proclaimed president; was retired by revolution January 27, 1914.
1914. Orrestti Zamor assumed the presidency February 8, 1914, and at last accounts was still alive. In other words, the constitutional office for a president in Haiti is seven years, and President Salomon, who held office from 1879 to 1886 is apparently the only Haitian president to fill out his term of office. He was killed, however, within two years after his reelection for a second term in 1886.

A writer occupying a high position in the Haitian government has lately put forth a masterpiece of special pleading in defense of his government. Any defense of this kind is idle. The island is a land of despotism and wicked government, which is increasing and not decreasing in its terror. Within a month it has reeked with blood under the throes of one of its almost continuous revolutions. Our government has been again compelled to intervene and save the lives of many of the parties engaged in this internecine war. A number of times, by reason of this situation, war has been almost precipitated between the Haitian government and the European nations. The action of the German government is fresh in the minds of our people, and the warships of Great Britain and France are only too frequent in the harbors of Haiti, protecting their subjects, demanding redress for grievances and saving human life. This means, sooner or later, that the irresponsible government of the Republic of Haiti will commit the act

which will involve us, under the first clause and original application of the Monroe Doctrine. It seems that if it was not for the Monroe Doctrine, backed by the strong hand of this government, this island today would be under the control of a European nation.

Let us pursue this investigation and consider further the moral and religious condition of this island, almost part of our shore line. Religion is but a pretense. The worship of the green snake and the control of the voodoo are everywhere prevalent. The island has degenerated from its once high estate, and there is no pretense but what the Papaloi and the Mamaloi are as potent as any of the figures in its life. It seems to be true, that on any night the horrid rites of the voodoo can be witnessed in the heart of the capital of Haiti, surrounded by the soldiers in the uniform of the Haitian government. In the book mentioned this statement is denied, and the assertion is made that Haiti has been slandered by the book writers and the magazine makers, by "unscrupulous writers and travelers." This assertion is unbelievable. I do not quote Spencer St. John, the English minister, who resided in this island for many years, who states in detail the horror of despotism which governs the island, and who gives the details of the dreadful practice of the voodoo, and who charges child stealing and cannibalism to these people. I will leave him out of the controversy entirely, and quote only a few of the many other proofs:

Says Stephen Bonsal in *The American Mediterranean*:

A man, of course a general, is in prison for treason or a detournement of funds. (This is a delicate way they speak of stealing in Haiti when they will speak of it at all.) It is a question of such minor importance, simply whether the man shall live or die, that the president will not defer it to the Papaloi or Voodoo priest, who lives in the hills behind the city, so he drops a manikin of clay upon the floor. If it breaks, the man dies; if it remains intact, then he lives—as long as the noisome atmosphere of a Haitian prison will let him. . . .

Again the doubt, the President would draw a line across the floor of his sanctum and then pitch manikins, this time made of wood and attired in the gaudy glory of Haitian generals. If the puppets passed the line, it meant one thing; if they lagged behind, it meant another, and so the State papers were fashioned and the presidential decrees inspired in Haiti.

But of course upon the graver questions the Papaloi and the Mamaloi, the high priest and the high priestess of the Voodoo sect, sat in judgment. The Papaloi, or Guinea coast prophet, with his fetich worship and his Congo prayers, is the one solid, substantial fact in Haiti. Around about him turn Haitian life and politics. In some administrations the doors of the Black House

have not been as wide open to these prophets of the night as they were while Nord Alexis ruled, but never have they been closed except in the reign of the mulatto Geffrard some forty years ago, and his was a short and little day and ended with exile to Jamaica, where, under the guidance of intelligent and sympathetic white men, the Afro-American is accomplishing more, perhaps, than anywhere else.

The cannibalistic feed is only indulged in on rare occasions and at long intervals and is always shrouded in mystery and hedged about with every precaution against interlopers; for, be their African ignorance ever so dense, their carnal fury ever so unbridled, the Papalois and Mamalois, the head men and head women worshippers never seem to forget that in these vile excesses there should perhaps be found excuse enough for the interference of the civilized world to save the people of the Black Republic from the further degradation which awaits them.

Within the last fifteen years human victims have been sacrificed to the great god Voodoo in the national palace of Haiti. Last February there was assembled in the national palace what might justly be called a congress of serpent worshippers. During the life of Mme. Nord, which came to an end in October, 1908, not a week passed but what a meeting of the Voodoo practitioners was held in the executive mansion, and her deathbed was surrounded by at least a score of these witch doctors.

Says Ober in *The Wake of Columbus*:

The serpent is the deity of the Voudous, and he is represented by a high priest, called the Papaloi, and a priestess, the Mamaloi; meaning the father and the mother king. Their demands are absolute, and no sectary dare disobey them. In this lies their menace to good government, and it is well known that even some of the rulers of Haiti have been dominated by them. The worship of the serpent is carried on as secretly as possible; the sectaries are bound by oaths of secrecy, and their incantations take place in the night. The serpent is consulted, through the priest or priestess, and the devotees then indulge in dancing and song, generally ending in the grossest forms of debauchery.

Froude in *The English in the West Indies* says:

But this is not the worst. Immorality is so universal that it almost ceases to be a fault, for a fault implies an exception, and in Haiti it is the rule. Young people make experiment of one another before they will enter into any closer connection. So far they are no worse than in our own English islands, where the custom is equally general; but behind the immorality, behind the religiosity, there lies active and alive the horrible revival of the West African superstitions; the serpent worship, and the child sacrifice, and the cannibalism. There is no room to doubt it. A missionary assured me that an instance of it occurred only a year ago within his own personal knowledge. The facts are notorious; a full account was published in one of the local newspapers, and the only result was that the president imprisoned the editor for exposing the country.

A few years ago persons guilty of these infamies were tried and punished; now they are left alone, because to prosecute and convict them would be to acknowledge the truth of the indictment.

Rear-Admiral Chester further says:

No accurate history of Haiti can be written without reference to the horrible sorcery, called the religion of Voodoo, which was introduced into the country with the slaves from Africa. Its creed is that the God Voodoo has the power usually ascribed to the Christian's Lord, and that he shows himself to his good friends, the negroes, under the form of a non-venomous snake, and transmits his power through a chief priest or priestess. These are called either king and queen, master or mistress, or generally as Papalois and Mamalois. The principal act of worship consists of a wild dance, attended by grotesque gesticulations, which leads up to the most disgraceful orgies. A secret oath binds all the voodoos, on the taking of which, the lips of the neophyte are usually touched with warm goat's blood, which is intended to inspire terror. He promises to submit to death should he ever reveal the secrets of the fraternity, and to put to death any traitor to the sect. It is affirmed, and no doubt is true, that on special occasions a sacrifice is made of a living child, or the "goat without horns," as it is called, and then cannibalism in its worst form is indulged in. Under the circumstances of taking the oath of allegiance, it should cause no surprise that the Haitians claim that this is not true and defy any white man to produce evidence of guilt. But, notwithstanding, no one can read the horrible tales published by one of the British ministers to Haiti, which described in detail the revolting practices of the voodoos, together with the proofs he brings to substantiate the truth of the allegations, without coming to the reluctant conclusion that cannibalism is resorted to in these meetings. Of course, no white man could long live on the island after having given testimony leading to the conviction of culprits in such cases, and therefore the negroes' demand for proof can never be satisfied. Indeed, it is said that even some presidents who have openly discouraged the voodoo practices have come to violent deaths from this cause.

The character of the meetings of the voodoos, which take place in secluded spots in the thick woods, is well known, and I have been given a description of one of them from an eyewitness, who is an officer of our navy, which no one could hear without a shudder. He states in brief that one day while out hunting he abruptly ran into a camp of worshippers, which was located in a lonely spot in the woods, and the horrors he there saw made an indelible impression upon his mind.

When his presence was discovered he was immediately seized by a frenzied crowd of men and women, and for some minutes there did not seem to be a question but that his life was to be forfeited; but the Papalois called a halt and a council, apparently, to determine what action should be taken, and while this was in session a handful of coin, judiciously scattered diverted the thoughts of the negroes for the time being from their captive. The usual sacrifice of a live white rooster was now brought on, seeing which the people were called back to their worship, and the ceremonies went on in his presence.

In the horrible struggle which took place for possession, the bird was torn literally to pieces, and he had no doubt that its accompaniment, the "goat without horns" would soon follow. While this was in progress his presence seemed to be forgotten, and, watching a good opportunity, he ran for his very life, not stopping until he reached the protection of his ship.

Says Prichard in *Where Black Rules White*:

But there is one thing common to the whole country, of which every Haitian denies the existence. Vaudoux is the one thing which they declare they have not. They tell you there is no snake-worship (I am speaking of the higher classes) within the bounds of the republic. But when you betray certain knowledge of the subject, they admit that though sacrifices and savage dances may take place in other departments, no such things are known in that one in which you at the moment find yourself.

Thus in Jacmel they told me I should find Vaudoux in Port-au-Prince and the Plain of Cul-de-Sac. In Port-au-Prince as I was actually returning from witnessing a sacrifice within the limits of the town, I was advised to go to the Cape, where alone such rites flourished. And at the Cape they told me to take ship for Jacmel, for there I would assuredly find them. As a matter of plain fact, the traveller riding across the country in any direction is quite likely to come suddenly in view of the ceremonies in full swing. He will see the tell-tale dances, the faces smeared in blood, perhaps even the body of the black goat, the sacred sacrifice.

In *The Wake of Columbus*, Ober further says:

It may bear away the palm of being the most foul-smelling, dirty, and consequently fever-stricken city in the world. Every one throws his refuse before his door, so that heaps of manure and every species of rubbish encumber the way.

As to the streets, they do not seem to have been mended for the last hundred years. The Haitians have a saying, "Bon Dieu gâte li; bon Dieu pareç li." God spoilt them, and God will mend them. As the "bon Dieu" only helps those who help themselves, and as the Haitians have no desire to help themselves in the way of making or repairing their roadways, their condition is frightful beyond description. The gutters are open, pools of stagnant and fetid water obstruct the streets everywhere, and receive constant accessions from the inhabitants using them as cesspools and sewers. There are few good buildings in town, and none in the country, the torch of the incendiary being constantly applied, and no encouragement offered to rebuild, through protection of the government or local enterprises. Buildings destroyed by earthquake or fire are never replaced, and the nearest approach to rebuilding is seen in the slab shanty leaning against the ruined walls of a large structure demolished.

Rear-Admiral Colby M. Chester in his article on "Haiti: A Degenerating Island," further says:

Of the eleven ports of Haiti open to foreign commerce, Cape Haitien and Port-au-Prince are the largest and most progressive.

Cape Haitien, or "The Cape," as it is commonly called, is situated on the northwestern coast, at the foot of a hill that slopes back to the sea, with most picturesque surroundings. It has a commodious harbor and supports a population of 30,000 or 40,000 people. Under the French, it was the capital of the colony, and its wealth, splendor and luxury gained for it the name of Little Paris; but now the structures erected by the French in colonial days are a mass of ruins, the parks overgrown with tropical weeds, the fountains choked with debris, the gutters filled with filth, all producing pestilential emanations from which foreigners speedily run away, if they are forced into its environments.

Port-au-Prince, the present capital of the Republic, as well as its largest and most important city, is likewise most picturesquely located at the foot of hills, where one may escape from its blistering and filthy streets to mountain resorts that would be popular if located in almost any country of the world. Unlike Cape Haitien, the city is cut off from the trade winds, to which this island owes so much of its salubriousness, and therefore it is hot; but still the traveler caught in the town may frequently felicitate himself when he reads that cities in our own country have higher temperatures by 10 to 15 degrees than is usually found here. The city is well supplied with the most delicious mountain water, and if its 60,000 inhabitants used it as freely as do Americans, it might be as clean as nature made it. As it is, it may well hold the palm for being the most filthy, foul smelling and, consequently fever-stricken city in the world. The gutters of the streets, which may be said to cover the whole roadbeds, are filled with stagnant waters and are used as cesspools by the people. But for the torrential rains, which pour down the mountain sides and carry off all the filth, into the beautiful bay, even a Haitian could not live there. But the bay, thus polluted, is quite as much of a menace to health as the city itself. During the visits of American men-of-war to the port, most of the time is spent in keeping the people from the pestilential vapors which emanate from the sea itself. The water of the harbor is so bad that it cannot be used even for scrubbing the decks of the ship.

Froude in *The English in the West Indies*, further says:

No one can foretell the future of the Black Republic, but the present order of things cannot last in an island so close under the American shores. If the Americans forbid any other power to interfere, they will have to interfere themselves. If they find Mormonism an intolerable blot upon their escutcheon, they will have to put a stop in some way or other to cannibalism and devil-worship. Meanwhile, the ninety years of negro self-government have had their use in showing what it really means, and if English statesmen, either to save themselves trouble or to please the prevailing uninstructed sentiment, insist on extending it, they will be found when the accounts are made up to have been no better friends to the unlucky negro than their slave-trading forefathers.

Mining is largely an unknown occupation in Haiti. Agriculture has languished, although it is true that in 1912 the coffee crop increased and concessions have been made to some timber enterprises, but little has been done in the way of enterprise and action in this island, situated athwart the commerce of the world. If this condition was sporadic and lasted but for a time it would be a proposition for consideration, but when the island is lapsing practically into degeneracy, when the government is a continuous revolution and the state of religion is as the proofs indicated in this paper, are not the peace and safety of this country constantly in peril by reason of the condition of this island, so near to us and so important to our life?

These statements are not pleasant. They are not made for any sinister purpose, but rather to bring to the attention of our people a condition of affairs at our very doors which is of vital and increasing importance to this nation. It is easy to apply the Monroe Doctrine as to non-interference on the part of European nations with our hemisphere. The great question is our own position with the nations of this hemisphere, which may offend against the doctrine which conserves the peace and safety of our government. With the world movement of today, with the enormous changes which have taken place by reason of the building of the Isthmian Canal, it is idle to say that our peace and safety can be preserved if we sit by and allow an international nuisance to bring upon this country the interference of the nations of Europe, and compel us by blood and treasure to enforce the original application of our doctrine of European non-interference. Free Cuba and the free Central and South American states attest the fact that one of the great fundamental desires of this republic is that it shall be surrounded by free people and governments. Is it not apparent, however, that the time has arrived when the conditions in and along the Gulf of Mexico and the Caribbean Sea can no longer be tolerated? These seas, for many years, have been silent seas. The conditions are now reversed and the great trade routes of the world will pass about these islands and over these seas, and they will be noisy with the whirl of the propeller and bright with the sails of ships. This island will be in the midst of a world-wide traffic and commerce, whose freedom and non-interference are practically guaranteed by this country.

Can the peace and safety of this country be preserved unless we adopt the measures which are the inalienable right of every nation? The world, with the shortening of trade routes, the touching of nations, and their demands for sure commercial conditions, is arriving at the thought that there is no inalienable right on the part of any people to control any region to the detriment and injury of the world at large. This is not a covert statement, that under the Monroe Doctrine this nation can take control of the affairs of other states of this hemisphere, when the policy of that country does not suit our theories and ideas. It means, however, that when a country of this hemisphere persists in being an international nuisance, when it shows to the world a condition of general degeneracy by which it practically gives notice that there will be no improvement, that this government, under the Monroe Doctrine, will adopt measures for its own peace and protection and for the preservation of the trade and commerce of these seas, which are practically within its commercial life.

The Monroe Doctrine, I repeat, is nothing more nor less than a doctrine of self preservation. To permit the condition of the island of Haiti to exist, without interference or protest on our part, is illogical. Under the Monroe Doctrine we practically say to European nations that they shall not for any cause lay their hands heavily upon a country in this hemisphere. At the same time, in accordance with the views of many people of our day, we ourselves have the right to do nothing. Hence, unless we interfere or permit the European nations to interfere, there must be a continuance of the status of that country.

The original object of the Monroe Doctrine was to prevent the control and colonization of the independent states of this hemisphere by European nations. As I have before stated, this does not mean that with any orderly or stable government this government should occupy the position of suzerainty or implied control. No American believes that great states, like Argentina, Brazil or Chili, with their stable governments, should be under our implied or actual control. Still, every one who understands the conditions of the day, believes that a logical corollary of the Monroe Doctrine demands that the nations of this hemisphere shall, in their governmental affairs, do nothing which would infringe upon or impair the peace and safety of the American government. Since the construction of the canal this condition has become intensified. This government is practically a

trustee for the world in its possession of the Isthmian Canal. Is it conceivable, that with our enormously increased interests we should sit idly by and allow the peace and safety of this country to be interfered with by a country which is a plague spot to the nations of the earth? A great part of American commerce and a large part of the traffic of the world will be through the American seas between the walls of this canal and by the shores of this island. These seas will become more populous with commerce than any other section of the world. They will be a gathering place and crossing point for the east and the west, and their possession, either forcibly or otherwise, will carry with it more potentiality than the possession of any other body of water on the face of the earth. It will be absolutely necessary that the outposts of the canal shall be in the hands of strong and stable governments, and it cannot be thought that the harbors necessary for that commerce and the islands by which it will pass, and in whose broad bays it will be compelled to anchor, shall be rife with revolution and dangerous to that commerce. Is it reasonable that this country, which is practically guardian of this commerce, will allow a condition to obtain which will be a daily menace to this great American commerce, and surely bring about the complications which must interfere with the peace and safety of this country? This great traffic must be clear and uninterfered with, and the responsibility is upon us to see that within these seas the rights of a hundred million people and their unborn descendants shall not be interfered with by countries which are not able to preserve a stable government for themselves.

The government believes that the fundamental principles of a country's life should be freedom and consent of the governed, yet it is idle to speak of the consent of the governed in an island which has never known anything but a blood stained despotism.

Ex-President Roosevelt in "Chili and the Monroe Doctrine," says:

It is untruthful folly to assert that it is possible for the United States, or for any other great nation, to treat an anarchic and wrong-doing country on a footing of real and full equality of which I have above spoken as representing that plane of conduct which should characterize all the dealings between my nation and your own, and my nation and certain other South American republics. I hope, and I am reasonably confident, that the less advanced nations of the New World will in their turn gradually advance just as my nation and yours, as well as certain others, have already advanced. As soon as any such nation

in the course of its advance reaches a position of self-respecting strength and orderly liberty and achieved power to do and to exact justice, then it should at once step out from any position of tutelage in any respect.

A distinguished writer in advocating the abrogation of the Monroe Doctrine speaks of it as if all danger to the South and Central American republics was over. Permit a little plain speaking on this subject, for it is sometimes helpful in the great as well as in the small affairs of the world. I believe if it had not been for the promulgation and the enforcement of the Monroe Doctrine by this republic, there would not today be on the continent of South America or in Central America a government independent of European control. Let us look at the situation of today throughout the world, and ascertain if there is any change in the desires of the nations since the promulgation of the Monroe Doctrine. The earth hunger of the European countries is fiercer than ever in its history. Their vastly increasing populations demand an enlargement of their national life, and the peoples of the European governments demand more food and more labor than their countries can furnish. The great new markets of the world are South and Central America, China and some parts of Africa. China has been practically delimited into the spheres of influence by the European and the Japanese governments, and Mongolia has been raped from her bosom. The gaunt breast of Africa has been seized and marked out for their own by the European governments. The whitening bones of Italian, Arab and Turk in Tripoli, the fierce anger of France and Germany only last year over Morocco, the busy colonization plans of Europe in Northern Africa, the strife of the dying Moslem Empire, the seizure and occupation of Egypt by England, and the tremendous conflict between Russia and Japan, which in its last analysis was a conflict for territory, all attest that today the earth hunger is not satiated by the peoples of Europe. I say it solemnly and with all the earnestness with which I can express it, that I believe, were it not for the power of the Monroe Doctrine, within ten years, excepting Argentine, Brazil and Chili, there would not be a free and independent government in South America. Their marvelous natural wealth, their splendor of climate, their richness of flora and fauna, and their wealth of precious metals, would more surely provoke the desire of the European nations than the gaunt, fever stricken and the fierce sunburned wastes of Africa.

Those who feel that the Monroe Doctrine is outworn and that it should be abrogated evidently do not remember very modern history. My meaning is illustrated by one of the great A B C nations of the South American continent. Many of us remember the incident as of yesterday, when the revolution against the republic was inaugurated in Brazil. For the purpose of reëstablishing the empire the navy of Brazil was in favor of the overturning of the republic and the restoration of the Braganza family to the head of an imperial Brazilian government. In the harbor of Rio Janeiro was congregated an assembly of the warships of the monarchies of Europe and the Republic of the United States. The commanders of the European squadrons were in sympathy with the revolutionists and unwilling to do anything which would interfere with the plans of the Imperialists. When the Imperialists attempted to establish a blockade, to carry out their plans of revolution, the American commander, acting under the Monroe Doctrine, by direction of our government in Washington, was the only naval commander who objected, and he cleared for action and forced the admiral commanding the Imperial forces to desist from his purposes. It must be remembered that this was only in 1893, and happened to the great republican government of Brazil, our friend and neighbor.

Let us take another modern and well known application. So late as 1894, the British government attempted to force a situation with Venezuela, which would bring about British control of the Orinoco region and practically shut up in British hands the control of one of the greatest rivers of commerce, a region which has imperial potentialities of trade and commercial life. Had it not been for the strong hand of this government, acting through and under the provisions of the Monroe Doctrine, today an important field of commerce, a vast region of South America, a great portion of an independent republic, and the control of a mighty river would be in the grasp of the British empire.

The question of European interference today is not dead. To every one who reads, there arises the question of the settlement of the position of the great foreign colonies in South America. Every well informed student of public affairs and international matters is looking forward to the time when friction will develop between the home governments of these colonists and the republics within whose territories they live.

Secretary Olney says:

The people of the United States have learned in the school of experience to what extent the relations of states to each other depend, not upon sentiment nor principle, but upon selfish interest. They will not soon forget that, in their hour of distress, all their anxieties and burdens were aggravated by the possibility of demonstrations against their national life on the part of the powers with whom they had long maintained the most harmonious relations. They have yet in mind that France seized upon the apparent opportunity of our civil war to set up a monarchy in the adjoining state of Mexico. They realize that had France and Great Britain held important South American possessions to work from and to benefit, the temptation to destroy the predominance of the Great Republic in this hemisphere by furthering its dismemberment might have been irresistible. From that grave peril they have been saved in the past and may be saved again in the future through the operation of the sure but silent force of the doctrine proclaimed by President Monroe. To abandon it, on the other hand, disregarding both the logic of the situation and the facts of our past experience, would be to renounce a policy which has proved both an easy defense against foreign aggression and a prolific source of internal progress and prosperity.

We desire to go in peace and equity with the peoples of this hemisphere, to that consummation where all will be kindness and trust between this republic and our neighbors. Still, the great thought of this republic is that it is best for all to maintain the Monroe Doctrine in all its virility. With our President we expressly disclaim any desire of conquest, nor do we wish any suzerainty or control of the stable nations of this hemisphere. Here is where the correct differentiation is lost sight of in the Latin countries. It is idle to speak of the great nations, stable and orderly as they are, as standing on a level with disorderly, revolution-ridden despotisms, such as have been discussed and which in many instances obtain in Latin America. This great doctrine is fundamentally necessary to the existence of the peace and safety of this country, yet we wish the help and the assistance of the great and stable nations of South America to carry it to its great fruition.

The application of these propositions to the subject under consideration is plain. Whilst this government has no desire for conquest, yet the great advance in the world movement and in the vital commercial affairs of the globe, demands that the peace and safety of this hemisphere shall not be needlessly and wickedly broken, and that the peace, happiness and safety of this nation and the commerce of the world within the bounds of our governmental life shall not be im-

periled in the future as they have been in the past. The tremendous impetus, which under the world movements of today, has been so potent and plain, demands order in all of the affairs and details of its life. The conditions of the times and the dependence of one part of the globe upon the other, brought about by the easy interchange between the nations, mean that no disorder in that great world commerce will be again lightly tolerated.

Under the plainest and fairest interpretation of the Monroe Doctrine it reaches easily the subject under discussion. Under its original application it will not allow a situation to obtain which will give the opportunity for foreign nations to interfere in the governmental life of countries of our hemisphere. Under the fundamental meaning of the Monroe Doctrine, it will imperil the peace, safety and happiness of this country if an island, lying at our doors, within touch of our daily life, athwart our greatest line of commerce, shall continue its life of disorder in the future as it has in the past. This position of our country should breed no distrust among our self-respecting and stable neighbors on this hemisphere. We will go along with them, hand in hand, and with their assistance help the nations which are weak, and do what we can to place them on eternal foundations of freedom, prosperity and order, so that they may become part and parcel of this great free brotherhood on the western hemisphere.

A great writer speaks of the abrogation of the doctrine, and voices the distrust and suspicion among the nations of the southern hemisphere. To this we reply with the pages of history, and ask under what government, people, or system, that has ever existed since history began to write its pages, have there been preserved, in their freedom and governmental life, so many weak nations as have existed on this hemisphere, side by side with this powerful republic? He has cited as cause of distrust California and Mexico. These were life movements, absolutely instinctive in their being, and demanded by the very existence of this nation.

Distinguished writers so frequently discuss the jealousy of the South American nations towards the United States by reason of the Monroe Doctrine. One has gone so far as to give in detail the size and strength of South American dreadnaughts, and to deal with immense particularity as to the amount of beef and wheat raised and shipped by these nations.

It is true that some jealousy does really exist. That cannot be

avoided. The thinking statesmen of the South American countries, however, do not believe in the unjust aggression of the United States. Those of them who know the situation and understand it do not fear the Monroe Doctrine or its consequences. There are professional politicians in South America who fan the embers of distrust for their own uprising and their own purposes, but the great trend of sentiment and thought on the part of the leaders in the great states of South America is not in this direction.

I quote the statement of Señor Zabellos of Argentina, as a fair indication of the thought of those of South America who know the real feeling of our country towards its southern neighbors:

What other countries of America have the same world problems as Panama and Mexico, the latter on the frontier of the United States, and the former the throat of the continent itself? They have nothing in common with the problems of the River Plata, or the shores of Brazil, or the coast of Chili. The Monroe Doctrine is necessary today to the United States. The Caribbean Sea washes the coast of the richest part of the United States, and it is necessary that it be dominated by them, in order to guarantee the independence and security of the United States. Under these circumstances, when there is constant danger of European intervention, as in the case of Venezuela, the United States said to the powers, in accordance with the Monroe Doctrine, "You can urge your claims in accordance with international procedure, but you cannot take territory, because if you do you will have to deal with the armed forces of the United States." The powers thereupon became less aggressive and the matter was settled by arbitration. This action of the United States emphasized once more the doctrine that no European power will be permitted to acquire territory on the continent of America.

Thoughtful men do not agree with the contention in some directions that the Monroe Doctrine should be enforced under an agreement with South American states. It seems that this would be impracticable. The Monroe Doctrine necessarily is an emergency doctrine. While it is fundamental the demand for its action is immediate and decisive. It is a doctrine which demands absolute and direct action to make it effective. Very many serious questions arise as to the practicability of the carrying out of any such agreement between the states of South America and the United States.

In the first place, the interests of this government are greater than the interests of any other government on this hemisphere. What relative power would this government have as against the other contracting powers? The Monroe Doctrine is a doctrine peculiarly

applying to the United States. When this doctrine is divided, so that it applies to other governments, necessarily the very essence of this doctrine is done away with.

Again, it has been the history of international affairs, that agreements between nations, diverse in thought, life, sentiment, situation, and race, have never been successful. Here would be an agreement for the enforcement of the doctrine between the Anglo-Saxon and the Latin nations absolutely different in temperament, and also between nations whose whole financial and local situation is absolutely different from that of the United States.

Suppose, for instance, a question should arise between England and some of the South American states, and that the contracting powers for the maintenance of the Monroe Doctrine would be the United States, Argentina, Brazil and Chili. Those who know the situation in Argentina would not suppose for a moment that Argentina would oppose England in some controversy as to some minor state, which would be important to the United States, but relatively unimportant to Argentina. This illustration applies with equal force as to the other South American states. The money with which these great states are being developed, and the population which is largely engaged in developing them, come from Europe and Europe could injure these states financially if they opposed European interests in and about the enforcing of the Monroe Doctrine.

This is a mere illustration of the multitude of troubles which would come by an agreement that the Monroe Doctrine should be enforced by a joint action of South American states and the United States. The questions are so absolutely diverse as between the United States and these countries, that no unity of action could be brought about so as to make the enforcement of the doctrine effective. While this is true the Monroe Doctrine should not be enforced with a strong hand, but should be carried out in justice, in courtesy and in fairness between our country and the countries of South America. This honesty and respect obtain among nations just as among men and by the immutable laws of cause and effect, and the action of this government upon a high plane will surely obtain and hold the respect of the countries of South America.

The Monroe Doctrine within its very nature is a doctrine which is fundamental and peculiar to the United States. While it should be carried out in justice, the mode, the time, the place and the manner

of its operation should be, and I believe will be, directed and controlled absolutely by the United States. To place it in other hands would be the destruction of the doctrine, which has been vital to this country and to this hemisphere, and cause the weakening of the hands of this government in the direction where international trade and life will demand that our hands should be strong, and absolutely free to act decisively in the great international emergencies which arise so unexpectedly and which are fraught with such momentous consequences.

The doctrine of Monroe is a doctrine of help and peace. It is true that those who love our country believe that this Republic "looks hopefully to the time when by the voluntary departure of European governments from this continent and the adjacent islands, America shall be wholly American." Still these governments and their systems are here and are part of the life of this hemisphere. They will surely demand that we preserve order and conserve the safety of the commerce within our sphere. This means absolute order. To bring about this order this government will not hurt the self-respect or pride of any great and stable nations of our hemisphere. We will work with them along the lines of mutual respect and esteem. Touched by the new life, which is making them so vital and important a part of the world affairs of the day, they will understand that the conditions of other days cannot continue, and that the responsibilities brought about by present world conditions demand that our safety and peace, as well as theirs, compel the continued existence of the Monroe Doctrine in its full virility. When this is understood there will be no distrust. There will be the co-mingling of nations with the same governmental freedom. It will be a great brotherhood, and the only one, of free people and free nations marching onward hand in hand to the consummation of that blessed time when the strong will not oppose the weak, and when filled with mutual esteem, confidence and regard, and touched by the wondrous vitalizing life of freedom, the nations of this hemisphere, great and little, Latin and Anglo-Saxon, will show to the world the splendor of freedom in its highest and best development.

THE LATIN VIEW OF THE MONROE DOCTRINE

BY LEOPOLD GRAHAME,

New York.

Although there are many conflicting opinions as to the ramifications of the Monroe Doctrine, it seems to me that the Latin view is that which must ultimately prevail in defining its status. The issue is clean-cut. It is whether the Monroe Doctrine is to be unilateral, or continental, in its operation; and upon this issue the retention of the doctrine as an integral part of the national policy of the United States must alone be determined. The considerations involved in this aspect of the question are vital to the commercial and political interests of the entire continent. Irrespective of the scope, or the limitations attaching to the famous pronouncement of President Monroe, its application must, in future, be dealt with even more from the standpoint of policy than from that of technical or convenient construction. The doctrine was ostensibly conceived and formulated exclusively in the interest and for the protection of all the American countries; and no selfish motive has ever been attributed to its original framers by any of the parties comprehended within its provisions. Its position, therefore, rests entirely on the territorial integrity of the American republics; and any other interpretation would make it an object of antipathy, not only to the Latin-American people, but to all the civilized powers of the world.

It has been urged by many eminent public men, including ex-President Roosevelt, that the very conditions which led to the adoption of the Monroe Doctrine conferred upon the United States not only by implication, but by necessity, the right to extend its protection of the Latin republics to the point of active intervention when the existence of disturbing conditions in any one of them might be thought to jeopardize its national independence. It should be remembered, however, that the United States has never assumed responsibility for the acts of those countries, but has, on the contrary, always maintained that, whilst it would not sanction the acquisition or occupation of the territory of an American republic by a foreign power, it would assist such power to protect its subjects from moral or

material injury in cases of national wrong-doing; and to that extent the doctrine, though not incorporated into international law, has been accepted without reserve by practically all of the European governments. Nor, indeed, are there to be found, so far as I am aware, any historical records to sustain the contention that the Monroe Doctrine is anything more than a logical culmination of an order of political ideas initiated by the declaration of American independence to separate the interests of the two hemispheres and to prevent European intervention in the internal affairs of the countries on this side of the Atlantic.

Let me ask in what cases the relations of a Latin republic with a European government might call for the reassertion of the Monroe Doctrine by the United States? The answer, I think, would be civil wars and insurrections; outrages inflicted upon foreigners; failure to fulfil contracts with them; their unlawful expulsion; and default in payment of public or private debts. These, in the abstract, would constitute the most likely reasons for a possible future application of the Monroe Doctrine; and within the last ten years we have had practical demonstration of the willingness of the great powers of Europe to accept the American view and to submit the differences arising out of such matters to the judicial methods of international courts of arbitration. Thus, the Monroe Doctrine, in its original and real sense, is universally established and admitted; and I cannot conceive either the moral or legal grounds upon which the United States can lay claim, in regard to the Latin republics, to a right so admittedly and so strongly denied to the nations of Europe.

We know from the fully recorded proceedings of the negotiations between President Monroe and the British government, preceding the formal declaration of the doctrine, that Mr. Canning, whilst adhering to its principles, steadfastly refused to allow the British government to become an official party to its formal establishment. The American minister, Mr. Rush, repeatedly informed his government of his belief that Great Britain had suspicions that the United States entertained designs of securing commercial advantages and of creating a hegemony on the American continent. Is it, then, surprising that, with latter-day occurrences in mind, the Latin-American republics should also entertain suspicions as to the motives underlying the various and frequently strained interpretations placed upon the Monroe Doctrine by many leaders of American thought?

It must be borne in mind that although successive Presidents of the United States, in recent years, have often stated, with undoubted sincerity, that this country has no idea of obtaining an inch of Latin-American territory by conquest, circumstances have arisen to justify the belief in many of the smaller republics of this continent that their complete independence is not quite so secure as they would wish. Common sense points to the conclusion that if, rightly or wrongly, the British government harbored doubts in the matter of American policy, in the early twenties of the nineteenth century, even in the face of the solemn declarations of such men as Monroe, Clay, Adams, Madison, Jefferson, Rush, Gallatin, and other equally conscientious and patriotic citizens, it can hardly be a matter of surprise that the Latin-American sense of security has been weakened by what has transpired in the recent past in the policy of the United States towards the sister republics. I do not for one moment assume or believe, that enlightened public opinion in this country, official or unofficial, regards either as desirable, or justifiable, encroachments upon the sovereign rights of the Latin-American nations. On the contrary, I assume and believe that the main purpose of the policy of the United States in relation to the other republics is to maintain and perpetuate their absolute independence. Therefore, I would further ask, what advantages are to be secured by the extension of the scope of the Monroe Doctrine beyond that so specifically expressed by its original founders?

The people of Latin America are of common origin. Their emancipation was secured by arduous struggles with their former oppressors; and an attack upon the dearly-bought independence of any one of the republics is reflected throughout them all. Their view of the Monroe Doctrine is that, although it has its origin in the United States, it is part of the international law of the American continent, where each nation is a distinct unit, with equal freedom and sovereignty and with no prerogative extended to any single one of them to control a continental policy. They regard the Monroe Doctrine as an instrument designed to proclaim the existence, in the western hemisphere, of independent nations, with the right to implant laws and institutions for the government of free people, without interference or dictation at the hands of the monarchies of Europe; but those republics would consider their last condition as worse than their first, if a distorted interpretation of the doctrine were to lead to any of

them becoming, what, for all practical purposes, would be vassals of the United States.

In a brilliant address recently delivered in Chile, Mr. Roosevelt dwelt at length upon the scope of the Monroe Doctrine in relation to the acquisition of territory on this continent by a European power; and referred specifically to two cases in which its operation would supersede treaty obligations. He said:

It was announced the other day in the South American press that the United States was about to agree to a treaty with Denmark which should provide that all questions, even those affecting national honor and interests, should hereafter be arbitrated. Under such a treaty Denmark would have the perfect right to sell the island of St. Thomas to any great military nation of Europe, and any arbitral court would decide that she had the right. Yet, no patriotic American of courage and sound intelligence would hesitate for a moment to say that, treaty or no treaty, such action could not be tolerated by the United States. In the same way, if Mexico chose to sell Magdalena Bay to some great Old World power, any arbitration court would decide that Mexico had the right to do so. Yet, it would be a criminal act for the United States to permit such a sale. As regards St. Thomas and as regards Magdalena Bay alike, not only would the Monroe Doctrine forbid the transfer of either to any foreign power, but, even if it did not, and if no such doctrine were in existence, the United States, if it possessed the slightest wisdom, could not permit such transfer to take place. It is worse than folly, it is mischievous hypocrisy, to make promises which ought not to be and would not be kept.

The same principles were enunciated in the Lodge resolution adopted by the United States Senate at the time of freely current rumors that Mexico was on the point of effecting a sale of Magdalena Bay to Japan. I make bold, however, to differ from the view implied by the distinguished authors of those pronouncements, for the simple and logical reason that the other parties to the arbitration treaties are fully acquainted with, and, in most cases, have recognized the purposes of the Monroe Doctrine; and so, in the event of such a point arising, could not reasonably demand its submission to arbitration, unless the transaction involved had been carried out with the express object of challenging enforcement of the doctrine. But it is not in this phase of the matter that the real danger exists. The doubts and suspicions of the Latin republics as to the ultimate aims of the United States are accentuated by the widening of the Monroe Doctrine to ends never contemplated by its authors. It is such incidents as those which have occurred in Mexico, in Nicaragua and in Colombia, that have led to a growing belief in the supposed desire on

the part of the United States to establish a suzerainty over some of the republics of Central and South America; and, even though there be no payment of a money tribute, or no open claim to the right of veto, or to the right of intervention in the internal affairs of the other states, the repetition of such acts as are here indicated, would, to all intents and purposes, confer the power of suzerainty upon the United States.

All Latin-American publicists concede that the Monroe Doctrine has indirectly conferred benefits upon the world at large and that the extraordinary development of some of the countries of South America is within certain limits, due to its existence and operation. This recognition may be seen in the subsidiary doctrine so ably expounded in December, 1902, by my distinguished friend, Dr. Luis M. Drago, then minister of foreign affairs of the Argentine Republic, and accepted by the Latin republics, as well as, with very slight modifications, by the United States. It may also be seen in the address delivered by the late Mr. Emilio Mitre, to the Argentine Chamber of Deputies, on the occasion of a visit to that country of Mr. Secretary Root. In one passage of his speech, Mr. Mitre said:

When President Monroe formulated his doctrine, he decreed peace between Europe and America. In short, the Monroe Doctrine was the veto of war between the countries of the two hemispheres; and from the ashes of the conflagration which had occurred prior to the declaration of that noble policy, there have grown up youthful nations which, today, are themselves strong enough to proclaim the same doctrine as the motto upon their national shields.

Ex-President Roosevelt truly describes the situation when he says that the Monroe Doctrine is looked upon with favor and is even welcomed as an American policy by the leading statesmen of South America; but what they approve and welcome is the Monroe Doctrine as they view it; and not as it is viewed by a great number of the public men of the United States. The Argentine Republic has special reasons for gratitude for the past existence of the Monroe Doctrine, not least amongst which are, that it was the first of the Latin-American republics to be recognized by the United States; and that it was enabled, largely through the re-assertion of that doctrine, to remain over a long period in undisturbed possession of the extensive and then undeveloped Patagonian territory, which is now becoming such a valuable national asset. Yet, knowing as I do, the honorable and liberty-loving character of the Argentine people, I venture to assert that

there is not a public man of that country who would sanction, for one moment, the further endorsement of the Monroe Doctrine, if he believed it implied a claim to intervention in the domestic concerns of even the least important of the American republics. The comments of the Argentine press on Dr. Drago's famous note to the minister of that republic at Washington clearly confirmed this view of their attitude towards the Monroe Doctrine. Some of the authorities of that country went even so far as to assert that if the official interpretation of that instrument, by the United States, is of such a character as to become a menace to the commercial interests of the European powers, the Argentine Republic would find itself unable to favor a policy whereby it would be drawn into a conflict with the countries whence it had derived its immigration and the capital which had developed its resources.

Looking at all these circumstances and at the change of conditions in all the American republics from those existing in their early stages of nationhood, there would appear to be little reason and less justification for the assumption, by the United States, of anything in the nature of a protectorate over them. This country has the right to adopt measures to secure the fullest protection of its citizens and their interests on the borders of a turbulent neighbor, such as every nation enjoys in other parts of the world; but it derives no prescriptive right from the Monroe Doctrine to encroach upon the independence of any other sovereign state.

Briefly summarized, the situation, as already stated, must be viewed alike from the standpoints of justice and expediency. Justice unquestionably demands the complete independence of all the republics of the New World. To deny this is to stultify the utterances of every President of the United States since the declaration of its independence. On the other hand, expediency dictates that "honesty is the best policy;" and that moral as well as material loss must necessarily follow the pursuance of a course of action which would alienate the sympathies and friendship of the twenty independent nations described as the Latin Republics of America. In other words, it would involve the sacrifice of commercial and industrial expansion to political considerations that would bring no corresponding advantages. The really sane view of the Monroe Doctrine is that its provisions should be enforced only against those who seek to violate them and not against those in whose interest they were framed.

THE SOUTH AMERICAN VIEW AS TO THE MONROE DOCTRINE¹

BY PAXTON HIBBEN.

It is not my purpose to speak to you at any length on the Monroe Doctrine, albeit I have very positive opinions on every phase of that most vital international question, which has been so ably treated by other speakers. I wish merely to protest, and to protest very earnestly, against what I must believe the impractical idealism of a view, not only of the Monroe Doctrine, but of the proper Latin-American policy for the United States to pursue, which seems in recent years to have grown like a prodigious snowball, simply by being pushed about from hand to hand by the political philosophers of this country. I refer to that view so eloquently presented to you this morning by Mr. John Barrett—that the United States invite to join them, in their maintenance of the Monroe Doctrine, those nations of South America which, in Colonel Roosevelt's phrase, have "risen to a sufficient point of economic well-being, of stable and orderly government, of power to do justice to others and to exact justice from others, and therefore of potential armed strength to enable them thus to act as guarantors of the doctrine."

In my own humble opinion the Monroe Doctrine is not and should not be a cardinal principle of Pan-American policy, nor a tie to bind us to our sister republics of the south. It has had its privileges through ninety years that we have been comparatively free under its operation from the threat of European aggression in this hemisphere. It has its responsibilities of which I, for one, think we may not in honor lightly discharge ourselves. But the privileges and the responsibilities are ours, and ours alone. We may not share them. And, frankly, not one of the three great republics at the southern extremity of South America for a moment desires to share them with us. Those who claim that the Argentine, Brazil and Chili, and perhaps Uruguay, are eager or even willing to join with us in any closer bond than that which unites friendly nations, have erected in their imagination an alluring mirage which they will never, I believe, attain.

¹ Remarks at the session of the Academy, Friday afternoon, April 3, 1914.

Colonel Roosevelt's words on this subject have been quoted to you. Yet curiously enough, those of Dr. Marcial Martinez in reply to Colonel Roosevelt's address before the University of Chili, on November 22 last, make no part of the record of these proceedings. It is that they shall be recorded here that I have ventured to intrude upon your time.

For Dr. Marcial Martinez is a very old and a very wise and prudent statesman. In his lifetime he has himself seen the growth not only of his own country, but of the Argentine and Brazil as well, to a condition of power to do justice to others and to exact justice from others, and his words reflect better, I think, than those of any other man in the countries of which I speak—a crystallization of opinion which is the product of the development and prosperity of those nations in whose history he has played no minor rôle.

I quote only part of Dr. Martinez's remarks:

"My frankly stated opinion," he says, "is that the Monroe Doctrine has lived out its time, has ceased to exist." And again: "Clear and definite situations are always preferable to the vaguenesses, the uncertainties and the anomalies to which the lapsed Monroe Doctrine lent itself"—unminced words to address to one bearing the suggestion that the Monroe Doctrine be accepted and maintained by certain republics of South America in concert with the United States! And Dr. Martinez goes on to define very clearly that situation which he and, I believe, the ablest minds of Latin America consider preferable to the Monroe Doctrine.

"The eminent Mr. Roosevelt," he continues, "has frequently spoken, in the course of his present triumphal journey, of 'confidence.' But confidence, like religious faith, can be no matter of agreements nor of decrees, nor of contracts, unless it be an actual fact, emanating from a reciprocal experience, from individual conviction and personal conscience."

And in regard to all the treaties which we have been at such pains to make or the making of which we have been at such pains to stimulate, since the idea first occurred to Mr. Elihu Root to legislate peace into the hearts of the denizens of this hemisphere, by means of a fine network of conventions of arbitration, Dr. Marcial Martinez pronounces this final judgment:

I believe it will always be a wise counsel to suggest to the American Republics: that they celebrate few if any new treaties with the idea of strengthening

their reciprocal friendship. What is of real value are cordial and effective demonstrations of palpable good faith, of probity and disinterestedness in political and commercial relations, which conduce to the result for which we all hope, instead of words evaporating into nothingness. . . .

Another point upon which I would touch briefly is that of international arbitration. My way of thinking, deeply rooted in my mind, brings me to this complex conclusion: I think that the very ancient idea of universal peace, which nowadays is enjoying an extraordinary recrudescence, is a beautiful illusion, a noble chimera which lends itself to dangerous sophistries. . . .

One idea which is absolutely fixed with me is that arbitration is not an adequate means to the conservation of peace. Extensive study and careful observation have convinced me long since that this method suffers from numerous and very grave defects. This is not the moment to enlarge upon these ideas; what I advise, and what I wish is that those distinguished men, who busy themselves in recommending arbitration, shall regard with favor the employment of every energy to promote the idea of direct understandings, of conciliation, of compromise and fraternal agreement. This is the great formula for friendship, and consequently for international peace. An understanding leaves no bitterness behind it, whereas an adverse decision leaves ice on the soul of the loser. . . .

Whatever must be brought about between this powerful country, the United States, and the South American Republics, will come of itself. Sympathy, loyal and honorable treatment, proximity, an intimacy as close as possible between the men directing the destinies of these peoples, and especially reciprocal interests will of themselves effect a political and an economic entente. There is need of no artificial measures, for they are ever fragile and often unproductive. The play of the natural laws of human progress must be left free.

As it has seemed to me manifestly inadequate to consider the present status of the Monroe Doctrine without taking into account this view of the relations between the United States and their sister republics of this hemisphere, which I firmly believe is the prevailing view in the greater part of what we call Latin America, I am grateful to this assemblage for this opportunity to read into the records of the American Academy of Political and Social Science a conception of our relations with Latin America which has found no other expression here.

THE MONROE DOCTRINE AND LATIN AMERICA

BY JOSEPH WHELESS,

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The single purpose which moves me to a discussion of the phase of this subject indicated by the title of this paper is to endeavor to clear away the obscuring mists of misunderstanding which have been blown up around the Monroe Doctrine in its immediate relation to Latin America. "Ye shall know the truth, and the truth shall make you free," is the inspired text of the evangel of better understanding which I come to preach. It is the same high desire as actuated Mr. Calhoun in his great speech in the Senate on the same subject—"I remove a false interpretation, which makes safe and proper declarations improper and dangerous." To accomplish this, I shall rely not upon arguments of mine own, and but a few North American interpretations, but shall appeal to the best accredited utterances of the most authoritative statesmen and publicists of our neighboring states of Latin America.

That a false interpretation and misunderstanding of the Monroe Doctrine, and of the policy of the United States thereunder, do exist, and have been responsible for no little ill-feeling and irritation, is unfortunately true and cannot be ignored. This fact was regarded by President Roosevelt as of such importance as to be made the subject of special comment in a message to Congress. In his message of December, 1905, he refers to this fact, and seeks to dispel the error underlying it in emphatic language:

In many parts of South America there has been much misunderstanding of the attitude and purposes of the United States towards the other American republics. An idea has become prevalent that our assertion of the Monroe Doctrine implied, or carried with it, an assumption of superiority, and of a right to exercise some kind of protectorate over the countries to whose territory that doctrine applies. Nothing could be further from the truth. Yet that impression continued to be a serious barrier to good understanding, to friendly intercourse, to the introduction of American capital and the extension of American trade. The impression was so widespread that apparently it could not be reached by any ordinary means.

Certainly no one has been more earnest or used more emphasis than has Mr. Roosevelt, in proclaiming the true gospel of the policy and mission of the United States in respect to the American nations, and in striving to allay the baseless fears of aggression and aggrandizement which many profess to feel towards the government at Washington. The truth of his so often repeated declarations of the good will and peaceful designs of the United States regarding Latin America cannot be gainsaid. From his repeated utterances on the subject two representative and official statements may be cited. In his message to Congress of December 3, 1901, the President said:

The Monroe Doctrine is a declaration that there must be no territorial aggrandizement by any non-American power at the expense of any American power on American soil. It is in no wise intended as hostile to any nation in the Old World. . . . This doctrine has nothing to do with the commercial relations of any American power, save that it in truth allows each of them to form such as it desires.

Again in the message of December, 1904, President Roosevelt states strongly his views of the policy and duty of the United States:

It is not true that the United States feels any land hunger or entertains any projects as regards other nations of the western hemisphere save such as are for their welfare. All that this country desires is to see the neighboring countries stable, orderly and prosperous. Any country whose people conduct themselves well can count upon our hearty friendship.

One of the most friendly critics of the Latin-American policy of the United States is Señor Alejandro Álvarez, of Chile, whose work, *Le Droit International Américain*, is a luminous study of this and kindred subjects. Frequently, in this and other published works, he calls the Monroe Doctrine "the political gospel of the New World." But this same writer expresses the further truth that there exists in the minds of many persons, even statesmen and writers on international law, a serious confusion of ideas as to what is the Monroe Doctrine; they confuse with it and attribute to it every action and policy of the United States having any relation to Latin America. Señor Álvarez goes directly to the root of the matter, saying: "Distinctions should be made between (1) the Monroe Doctrine in its primitive form; (2) the hegemony of the United States on the American continent; and (3) the imperialistic policy of that Nation." Failure to make these very obvious distinctions, due to confusion of thought

or to inadequate knowledge of American history as it relates to Latin America, is responsible for the whole unfortunate crop of hostile criticisms of the Monroe Doctrine and of ill-will towards the United States as sponsor for that doctrine, except such part of these attacks as is due wholly to the ignorance or malevolence of their authors. This fact is clearly recognized by Señor Álvarez, who says: "Publicists have not only failed to see the real origin and nature of the doctrine, but have disfigured its true meaning;" and he adds: "For the majority of persons, it is the basis of the policy of hegemony which the United States is developing on the American continent." Further, on this latter point he says:

These points of view are inadmissible, since the idea of hegemony does not grow out of the Monroe Doctrine nor is its development dependent upon it; and the same objection may be made to the attempt to include within the category of "hegemony" every step taken by the United States in international policy in the American continent.

The hegemony of the United States is the fruit of the prodigious and rapid development attained by that country, outdistancing the other American republics, and the *de facto* recognition of this circumstance not only by the states of Europe but also by those of America. . . .

The United States as the most powerful of the states of America becomes the natural spokesman of the continent and charges itself with the duty of making its ideas respected, to the mutual advantage of all.

This "confusion of ideas" in respect to the Monroe Doctrine, and the very prevalent disposition to make it a sort of scapegoat for all the manifestations of the policy of the United States, which are regarded by our neighbors as acts of "hegemony" and of "imperialism," has had a recent striking exemplification. This was the failure of the gracious and just act contemplated in the Fourth Pan-American Conference looking to an expression of appreciation of the benefits of the Monroe Doctrine to Latin America. The Latin-American delegations feared, as expressed by Señor Álvarez, that "while approving it, they might sanction along with it many acts of hegemony committed by the United States by which more than one country had felt its sovereign dignity to have been wounded."

This state of facts should give sober pause to all those in the United States who are charged with the important and delicate task of shaping the relations between our country and our neighbors of Latin America. The latter, it will be seen, cordially approve "the principles which properly belong to the Monroe Doctrine," while they

have taken offence at and cherish resentment of "certain trends of policy which are foreign to it," but which they undiscerningly confuse with the Monroe Doctrine, to its disparagement and to the detriment of the good relations which it is our desire and our duty to cultivate with our sister republics. It behooves us then, who desire to steer our course along the safe and pleasant paths of international friendship and goodwill, to do our utmost to dispel the misunderstanding, at home and abroad, of the true import of the Monroe Doctrine, and by future considerate conduct avoid all offensive "acts of hegemony" which are complained of, even by friendly critics, as having wounded the sensibilities and the sovereign dignity of our neighbors.

The most succinct, as well as authoritative, statement of the Monroe Doctrine is found, naturally, in the text of President Monroe's historic message of December 2, 1823. It embraces two separate but correlated propositions, the essential words of which are:

1. . . . the American continents are henceforth not to be considered as subjects for future colonization by any European powers. . . .

2. . . . we could not view any interposition for the purpose of oppressing them, or controlling in any other manner their destiny, by any European power, in any other light than as the manifestation of an unfriendly disposition towards the United States.

In THE ANNALS of this Academy for May, 1911, Señor Álvarez makes an analysis of President Monroe's Message, and deduces the generally accepted estimate of its political content. He thus summarizes:

The declarations of an international character contained in this document may be reduced to three:

1. No European country may gainsay the right gained by the nations of the New World to their independence and sovereignty.

2. The right is recognized of these same American nations to organize such forms of government as best suit their interests without the intervention of any European country in the affairs relating to internal regulation; and

3. European nations are prohibited acquiring by occupation any part of the American continent.

The foregoing simple propositions are the "whole of the law and the prophets" of the Monroe Doctrine. As Señor Álvarez proceeds to say: "These declarations, by their preciseness and definiteness, became henceforth the political creed of all the nations of the New

World. . . . And this is so true that all those nations strove for the solemn proclamation of the Monroe Doctrine at the American International Congress which met at Panama in 1826." No candid mind can justly discover in any of the propositions of this traditional American policy any broader scope or ulterior purpose than those stated.

In view of the carping criticism of our American patriots-at-large in aid and comfort of its ill-advised maligners abroad, we must discover what really is the status of the Monroe Doctrine in Latin America, officially and among those whose opinion is authoritative.

With the utmost enthusiasm and gratitude was the message hailed by the South American states, whose independence was forever assured by the policy declared by President Monroe; their governments, and the heroes of their independence, declared their hearty approbation of its principles. Bolivar proposed it for general ratification at his projected Panama Congress; and from that date, says Señor Álvarez, "all the Latin states have not only striven to proclaim it solemnly but also to unite to make it respected"—for, he says, it "expressed the aspirations of all America." A distinguished Spanish publicist, Exmo. Señor Alejo García Moreno, in a study of "The Monroe Doctrine," in 1909, says:

These principles proclaimed by Monroe were accepted universally, in the first place, in the opinion of the people of the United States, and then in that of the other American republics, and the Monroe Doctrine was thus converted into a principle of American public law, which received its solemn consecration in the Congress of the States of the South, reunited in Panama in 1826.

The highest and most authoritative men of the states of Latin America are outspoken in approval and praise of the Monroe Doctrine, which has indeed long been an acknowledged Pan-American principle. Señor A. de Manos-Albas, called by the late William T. Stead "one of the shrewdest and ablest public men to whom Latin America has given birth in our time," says: "There was an element of prophetic inspiration in the declaration of President Monroe, uttered in 1823. It rang through the world like a peal of thunder; it paralyzed the Holy Alliance, and defined, once and for all time, as far as Europe is concerned, the international status of the newly constituted American republics." The brilliant Peruvian, García-Calderón, in his justly celebrated new work, *Les Démocraties Latines de L'Amérique*, says, in grudging admission of the truth: "The United States proclaimed

the autonomy of the continent and contributed to the preservation of the originality of southern America, by forbidding the formation of colonies within their vacant territories, by defending republican and democratic states against reactionary Europe." Before the Fourth Pan-American Conference, Dr. Victoriano de la Plaza, Argentine minister of foreign affairs, recognized the same truth: "This condition of precarious autonomy and liberty of action, and the constant danger of being subjugated or suffering the mutilation of their territory, would have continued among those weak states but for the wise and famous declarations of President Monroe, to which we ought to render due homage." I present a final citation from the highest authority, the eminent Argentine, Señor Luis M. Drago, whose words are commended especially to those who persist in a misconception of the spirit and purpose of the Monroe Doctrine. In his famous note, in 1902, formulating the "Drago Doctrine," he appealed to the saving grace of the Monroe Doctrine as against European aggression in Venezuela; elsewhere he calls it "the formula of foreign policy of the new world." In a recent exposition of his own celebrated doctrine, he uses these measured and weighty words:

The Monroe Doctrine is in fact a formula of independence. It imposes no dominion and no superiority. Much less does it establish protectorates or relation of superior to inferior. It creates no obligations and no responsibilities between the nations of America, but simply calls upon all of them, with their own means and without foreign aid, to exclude from within their respective frontiers the jurisdiction of European powers. Proclaimed by the United States in the interest of their own peace and security, the other republics of the continent have in their turn proceeded to adopt it with an eye alone to their own individual welfare and internal tranquillity. This moral consort of intentions and tendencies constitutes in itself alone a great force without need of treaties or formal alliances or definite obligations. Thus understood, the Monroe Doctrine, which in the end is nothing more than the expression of the will of the people to maintain their liberty, assures the independence of the states of that continent in respect to one another as well as in relation to the powers of Europe.

Such illuminating statements of the principles which inspire the policy known as the Monroe Doctrine, and its hearty acceptance in Latin America, should have the happy effect of dissipating the misunderstanding of that doctrine which is so prevalent among many not only in Latin America and Europe, but among some in the United States who should better understand their government

and its historic polity. It may be added, that every nation of Latin America, admitted through the action of the United States to the last "Parliament of Mankind" at The Hague, has, in concert with all the other nations of the world, given its express assent to the Monroe Doctrine as an essential Pan-American principle.

The last word of authoritative interpretation was uttered but the other day by ex-President Roosevelt in his address before the University of Buenos Aires, in which he declared:

The Monroe Doctrine is meant to express the fact that the western hemisphere is not to be treated as Africa or mid-Asia is treated, as a subject for conquest by any Old World power. It is a doctrine which the United States promulgated, partly as a matter of policy in its own interest, partly as a matter of policy in the interest of all the republics of the New World.

And in expression of a very patent, but often perversely unrecognized truth, he added:

But as rapidly as any other republic grows to possess the stability, the self-respecting insistence upon doing right to others and exacting right from others, just so soon that country becomes itself a sponsor and guarantor of the Monroe Doctrine with which the United States of the North no longer has any concern, so far as the doctrine relates to it. . . . As far as you (of the Argentina) are concerned, we have no more concern with the Monroe Doctrine about you than you have about us. If ever it became vitally necessary to enforce it, each would help the other.

The Monroe Doctrine, in its pristine significance, is thus seen to stand accredited, approved, and adopted by all America; it has won universal acceptance on its merits, and needs no defender or apologist. It will endure as an active principle until its protective and civilizing mission is accomplished with the emergence of all the American countries into self-sustaining nationality; until, in the eloquent words of Exmo. Señor Bermejo in his closing address before the Fourth Pan-American Conference,—“the day when America entire shall have finished her institutional evolution in the sense of forming ‘an indestructible union of indestructible states,’ as runs the phrase consecrated by the most authoritative Areopagus on earth.” Then only may the Monroe Doctrine be dubbed, by irreverent schoolmen, an “obsolete shibboleth;” but it will be cherished by the emancipated nations as of blessed memory through all coming time.

As a ward against European aggression, the Monroe Doctrine is not yet "obsolete." Those who so passionately demand that we "abandon the Monroe Doctrine," show that in their zeal they reck not the lessons of history and that they "ignore the plain facts of the present." Señor Álvarez recognizes that it is still the welcome shield and buckler of Latin American independence and integrity, saying: "These states not only do not reject it, but have sought and always will seek protection under it whenever it may operate for their benefit." The Peruvian, Señor Calderón, who virulently assails the United States because of his own "confusion of ideas" respecting the Monroe Doctrine, terrified by the spectre which he raises before himself of a Japanese invasion and conquest of Latin America, "to erect there a new Japan," takes comfort to his fears, exclaiming: "The Monroe Doctrine, which liberated Latin America from the tutelage of the Holy Alliance, is perhaps destined to protect it also against the Orient." He begins his chapter "Le Danger Allemand," with the fearsome words: "The Teutonic invasion disquiets the Hispano-American writers. The tutelary protection of the United States does not suffice to make them forget the European peril." Elsewhere he dwells upon the fact that "tenacious Teutonic colonizers" flow into Brazil, Chile, and other countries of South and Central America,—"the German danger remains." As for Japan, he says: "her statesmen and publicists consider that Peru, Chile and Mexico are lands for Japanese expansion," and he gloomily predicts "a struggle between half-breed America and stoical Japan, in which the former will lose its autonomy and its traditions."

History has been a long record of expansion of active and populous nations into the territories of weaker and less populated states. There is nothing to indicate that this movement has reached its final period. Indeed, the struggle for expansion for over-flowing populations is reaching its most acute stage. The possibility of a "scramble for South America" does not exist alone in the fears of some South American theorists. Practical men of state openly express them, and some of the land-hungry have been frank to avow their annoyance with the restraints of the Monroe Doctrine. An English writer in the *Nineteenth Century Magazine*, December, 1896, speaks cynically and covetously of the alluring possibilities in a "scramble for South America," and says, "if it once begins, neither the latent resources nor the moral influence of the United States

will avail to protect its clients without the display of effective military strength."

Again an English writer, Mr. Somers Somerset, in the same magazine, for April, 1903, at the time of the Venezuela troubles, defines the "new economic necessities" which look towards Latin America for a solution, and says:

In proportion as the available surface of the earth that is suitable for colonization decreases, it becomes more and more evident that not only is there no time to be lost in founding an empire, but that the price which a people may be able to allow itself to pay for the acquisition of that territory is greatly rising. The constant pressure of the peoples of Europe, the commercial struggle, and the natural desire for national aggrandizement are bound to be powerful factors; and the consideration of "now or never" will very soon mark the policy of various European chancelleries. We have already seen that the Old World offers few attractions--there remains only the New World to be considered.

The veto of the Monroe Doctrine, in the opinion of this writer, has up to this time saved the American countries from European aggression; but he adds: "it must be remembered that during that time the world afforded many opportunities for colonization in other regions, and that that period is drawing to its close, and it is scarcely to be expected that a mere formula or opinion will continue to protect those countries for long." That this is a real condition, and not a theory, is the belief of the most accredited Latin American statesmen. The events in Venezuela, says Dr. Juan A. Garcia, are not isolated facts, measures of policy, or reparation of wrongs, "but the opportunity which materialized a tendency latent in Europe since the middle of the past century which in the last years has been emphasized and fortified by the new economic necessities." This subject is treated at length and very seriously by Dr. Luis M. Drago, in a recent explanation of his action, in 1902, in appealing to the protection of the Monroe Doctrine in behalf of Venezuela as against the aggression of England, Germany and Italy. His note pointed out, he says:

A danger that lay very near and it aimed to forestall it. At the time when it was transmitted everything combined to inspire the greatest alarm. There was rife in political and diplomatic circles a constant agitation which was dominant, and was disseminated by the greatest newspapers of the world, the most important and best accredited reviews and the books of thoughtful men, and which pointed out these countries as the best fields for the colonial expansion of the great powers, once the doors of Africa and the Orient were closed.

Thinkers of the highest rank have suggested the advisability of turning

in this direction the great efforts which the principal powers of Europe have hitherto made for the conquest of sterile regions, with rigorous climate, lying in the most distant corners of the world. There are also many European writers that point out the countries of South America and their great wealth, with their sunny skies and propitious climates, as the natural theatre where the great powers with their arms and instruments prepared for conquest have yet in the course of this century to dispute dominion. . . . The act of coercion attempted against Venezuela seemed consequently to be the beginning of the hostilities predicted against America.

Writing about a year ago in the English *Review of Reviews*, Señor A. de Manos-Albas calls Latin America "a tempting field for expansion," and frankly states the incentives which the American El Dorado offers to the avidity of the land-grabbing expansionists of Europe:

The territorial responsibilities of the Latin-American nations are greatly in excess of their respective populations. The seventeen republics from Mexico to Cape Horn, with an area several times that of Central Europe, contain at best seventy million inhabitants, who could be comfortably housed in any one of the larger republics, leaving the immense remaining territory available for European expansion. Can Tripoli compare with the broad and fertile plains of Northern Venezuela, bordering on the Caribbean? Or Morocco with the Atlantic coast section of Colombia? Can the Congo compare favorably with the Amazon, or Madagascar or West Africa with the inner lands of Peru, of Bolivia, or of Ecuador?

The consideration of such possibilities implies no wanton spirit of alarmism. If Tripoli has been thought worth Italy's present effort, and Morocco France's recent venture, why should not the infinitely richer Caribbean coast fare likewise? No one in his senses, surely, would outrage the powers by supposing that their abstention has been prompted by moral considerations; their reputation is too well established.

From the foregoing, which are but a few of many similar expressions of covetous desire towards the teeming possibilities of Latin America, may be better appreciated the significance of the avowal of Señor Álvarez when he frankly declares the reality of these fears and the only hope of salvation, saying: "The Monroe Doctrine, far from being a thing of the past, as some publicists pretend, is still of present importance in the sense that it denies the existence of territories '*nullius*' which could be acquired through occupation by European countries."

It is needful to consider briefly that "confusion of ideas" which associates the welcome and approved Monroe Doctrine with so-

called "acts of hegemony and imperialism," of which complaint is made, and which are, rightly or mistakenly, the cause of existing suspicion and ill-will. Knowing the truth and justice, or otherwise, of these charges, we may better be able to make any proper *amende honorable* for the past by more considerate action in the future.

The writer who most formally makes these charges and formulates the specifications of grievance, is Señor Calderón, in his recent *Les Démocraties Latines de L'Amérique*. He opens his chapter entitled "Le Péril Nord-Américain" with these ominous words:

In order to defend themselves against Yankee imperialism, the American democracies would almost accept a German alliance or the aid of Japanese arms; everywhere, the Americans of the North are feared. In the Antilles, in Central America, the hostility against the Anglo-Saxon invaders assumes the character of a Latin crusade.

It is well to examine for a moment his catalogue of grievances, which he reiterates as reasons for what he calls "an accumulation of hates" against the United States, and because of which, he declares, "the statesmen of the South refuse to believe in the friendship of the Yankees." After citing the "incessant territorial expansion" of the United States, from the Louisiana purchase to the Panama Canal Zone, he concatenates every cause of complaint which he can conjure to his imagination, as follows:

Interventions become more frequent with the expansion of frontiers: in the territory of Acre, in order to found there a republic of rubber-hunters; in Panama, to develop a province and construct a canal; in Cuba, under the cover of the Platt amendment, to maintain internal order; in Santo Domingo, to supervise the customs; in Nicaragua, to sustain civilizing revolutions and overthrow tyrants; in Venezuela and in Central America, to impose on those nations, torn by intestine discords, the political and financial tutelage of the imperial democracy. In Guatemala, in Honduras, the loans closed with the monarchs of North American finance reduce the peoples to a new slavery. Supervision of customs, expeditions of pacificatory fleets which defend the interests of the North Saxon, forced tranquillity and peace, such are the means employed The fortification of the Panama Canal, the possible acquisition of the Galápagos Islands in the Pacific, are new manifestations of this imperialistic progress.

A quite similar catalogue is set out in the open letter addressed recently to President Wilson by Señor Manuel Ugarte, the foremost apostle of the proposed Pan-Latin crusade against the "colossus of

the North." True, neither Señor Calderón nor Señor Ugarte shows wherein Latin America is wronged by any of the acts recited; none of the acquisitions of territory, for over half a century, has been at the expense of any country of Latin America; and every "intervention" has been in signal benefit of the country concerned and of civilization. The United States has expanded, in obedience to its "manifest destiny," until it fills out its continental domain; that is an accomplished fact, and justified by national necessity and by civilization. However, and far from a spirit of recrimination, but in justice to the truth of history, which is now past, and never, it is to be hoped, to be repeated, must it be said, that if any of the events instanced have, indeed, tended to give occasion for the irritation attributed to them, the acts complained of have been abundantly provoked. The United States, in all conscience, has been far "more sinned against than sinning." The truth of this is witnessed by the Hon. James Bryce, who very justly says:

United States statesmen found themselves from time to time annoyed by the perversity or shiftiness of military dictators ruling Spanish-American countries. The big nation has, however, generally borne such provocations with patience, abusing its strength less than the rulers of the little ones abuse their weakness.

One further citation of complaint from Señor Calderón. He quotes the eloquent and earnest words of Secretary Root, at the Third Pan-American Conference, where, "before assembled America the lay preacher of the new evangel" said: "We wish for no victories except those of peace; for no territory except our own; for no sovereignty except the sovereignty over ourselves. We deem the independence and equal rights of the smallest and weakest member of the family of nations entitled to as much respect as those of the greatest empire. We neither claim nor desire any rights, or privileges, or powers that we do not freely concede to every American republic." Over against these golden words, which Señor Calderón calls "the solemn declarations of a Puritan politician," he sets, misquoted and out of its context, the language of Secretary Olney to Lord Salisbury, in defense of Venezuela against Great Britain, to the effect that "the United States is practically sovereign on the American continent;" and Señor Calderón asks "Where is the truth, in the imperialistic declaration of Mr. Olney or in the idealism of Mr. Root?" I cannot

stop to demonstrate the fallacy of this mis-quotation, as I have done in my book on this subject; I will only say that these words, well qualified, were used in a "defi" to Great Britain, and to define the attitude of the United States under the Monroe Doctrine as towards Europe, and not as respects Latin America, as a reading of his note shows. And in 1907, before the American Society of International Law, Mr. Olney himself clearly defined the relations of the Monroe Doctrine to Latin America, declaring:

The United States under the Monroe Doctrine assumes no protectorate over any other American state; attempts no interference with the external any more than with the internal affairs of such a state; asserts no right to dictate the domestic or foreign policy of such a state; and claims no right to use force in the affairs of such a state except as against its enemies and to aid it in defending its political and territorial integrity as against any European aggression.

To persist, after reading the foregoing words of Mr. Olney, in appealing to his "practical sovereign" talk to Lord Salisbury, either to bolster up baseless attacks or to create prejudice, would savor much of the trick of a shyster lawyer in citing to a court an *obiter dictum* from a case which he knows to have been overruled. All fears of imperialistic expansion of the United States, at the expense of Latin America, should be considered as foreclosed by the emphatic and official utterances of President Wilson, at Mobile:—"The United States will never seek one additional foot of territory by conquest." Furthermore, whatever may have been the modicum of justified complaint in the past, the present is very pregnant with roseate prospects for a happier era of good feeling and better relations for the future. In this regard the earnest words of President Wilson in his Mobile address to Latin America are of propitious augury, and should find hearty response with every good American:

The future is going to be very different for this hemisphere from the past. These states lying to the south of us, which have always been our neighbors, will now be drawn closer to us by innumerable ties, and, I hope, chief of all, by the tie of common understanding of each other. . . . It is a spiritual union which we seek.

While the Monroe Doctrine protects Latin America from Europe, some of our neighbors cherish the fear that it is not a sufficient guaranty of protection against its own champions. *Quis custodiet*

custodem? queries Señor Calderón. And while Señor de Manos-Albas says that the Monroe Doctrine was like a gift in the cradle of the nascent nationalities, the latter have acquired the classic superstition expressed in *Timeo Danaos et dona ferentes*. A remedy to remove such fears, and to realize the auspicious avowal that "the future is going to be very different for this hemisphere from the past," I feel will be very welcome.

To broaden the Monroe Doctrine from a North American policy into a genuine Pan-American principle is the easy and welcome solution. Happily this is one of the most manifest tendencies of the times, as is witnessed by many authoritative acts and utterances in North and South America. As early as 1862, in a note addressed by the foreign minister of Costa Rica to the Colombian government, this "old, old story but yet forever new," of fears of the United States, is recited, together with some suggestions of current significance:

If our republics could have the guaranty that they had nothing to fear from the United States of North America, it is indubitable that no other nation could be more useful and favorable to us. . . . The idea has occurred to my government that a new compact might be drafted by which the United States should bind themselves solemnly to respect, and cause others to respect, the independence, sovereignty, and territorial integrity of the sister republics of this continent. . . . Resting upon a treaty of this kind, our republics would admit without diffidence, and without preoccupations in regard to the future, the idea of an intimate alliance with the North American people; they would feel as if they had entered into a new life, and be possessed of greater strength; they would get rid of the serious and just fears which our race has felt; they would march together with a firm step towards such a unity of institutions and interests as would change the face of the American nations, and lay the strongest foundation of our great continental alliance.

Señor Manos-Albas, writing on this subject in the English *Review of Reviews*, stated his plea for "a new declaration of Pan-American policy" in very earnest words, from which I briefly quote:

The means to accomplish unity of sentiment and to dispel the misgivings between the United States and the Latin-American republics is not far to seek. It is only required to amplify the Monroe declaration to the full extent of its logical development. . . . If the United States should declare that the era of conquest on the American continent has been closed to all and forever, beginning with themselves, the brooding storm of distrust will disappear from the Latin-American mind, and an international cordiality of incalculable possibilities will ensue, not only for the welfare of the American nations, but universally for the cause of freedom and democracy.

Commenting on this, which he calls "a masterly presentation of a plea for taking a forward step towards the world's peace," Mr. Stead says:

As there is not a citizen of the United States who desires to make any such conquest, the acceptance of such a formula by the Government at Washington would have as its first and immediate result the removal of the one great obstacle which hinders the extension of the influence and the interests of the United States in Latin America.

Practical recognition of the wisdom and desirability of a co-operative policy, and practical steps towards its realization, have been taken, and, as I have said, mark one of the most manifest tendencies of our international relations. In the first Pan-American Conference at Washington, in 1889, a resolution was unanimously adopted "That the principle of conquest shall not . . . be recognized as admissible under American public law." At the present time there is pending in Congress, twice favorably reported by the House foreign affairs committee, a resolution of which Mr. Slayden, of Texas, is the author, reciting that "the peace and commercial development of the American continent would be more certainly and speedily assured if the various South, Central and North American governments were reasonably assured against the forced permanent loss of territory as the consequence of war or otherwise," and resolves, "that the President of the United States be requested to enter into negotiations for the making of a treaty that will forever quiet the territorial titles of the various American states." It is understood that the executive branch of the government heartily approves the principle of this resolution and is working towards the end suggested.

Another step, already begun, and the ideal of Pan-American confraternity is happily consummated. The republics of Latin America have long been silent partners, and indeed the chief beneficiaries of the North American doctrine; that they would welcome being invited into full partnership, sharing in both its benefits and responsibilities, is evidenced by many tokens. Taking as an instance a possible intervention to secure the establishment of peace and order in Mexico, Mr. Sherrill, late Minister to Argentina, well expresses the advantage of a sort of American concert of powers, suggesting that, rather than action by the United States alone, that Argentina, Brazil or some other American country be invited to join with us. The effect of such

joint action he says, in the case instanced, as well as whenever "an occasion for armed intervention in this hemisphere arises," would

have two marked tendencies, both of which would be highly desirable. First, it would entirely remove any idea among our South American neighbors that our purpose was land-grabbing. . . . Furthermore it would be the best and most convincing form of invitation to Latin America to participate equally with us in the responsibilities and development of the Monroe Doctrine. The great Doctrine would at once become continental, and cease to be unilateral, which is today its one great defect.

Precedents for joint action, with the happiest results, may be cited. A signal example was the coöperation, in 1907, of the United States and Mexico in bringing order out of chaos in Central America, resulting in the notable series of treaties signed at Washington between the five republics. Later, in 1911, the United States, Argentina and Brazil by their joint representations, prevented the outbreak of war between Peru, Ecuador and Chile. These instances, as said by Dr. Blaksee, "show that the United States has already made a beginning of working in unison with Latin-American states in enforcing the police power of the continent. It only remains," he justly remarks, "to extend this occasional coöperation into a definitely formulated and generally accepted policy. The new Monroe Doctrine," as he terms it, "would accomplish everything that the present Monroe Doctrine accomplishes, and much more. It would create a genuine Pan-Americanism."

The advantages of such an international *entente* for the welfare of a hemisphere, inestimable in making for peace, friendship and civilization in America, are admirably stated by ex-Secretary Olney in a recent public address:

That an American concert of purely American states would occupy a position in America practically equivalent to that of the European concert in Europe; that it would tend to avert wars between states as well as insurrections and revolutions within states; that it would do much to further trade and commerce and intercourse of all kinds between the various American states; and that the United States, as a leading member of the concert, might be counted upon as an agency for good even more potent than if acting in the invidious rôle of sole and supreme dictator, seem to be tolerably sure results.

In South America there exists a great league and confederation between its three leading powers, Argentina, Brazil and Chile, popu-

larly known as "The A B C of South America." These great powers, among the most friendly to the United States, might readily be won into such a peace-making concert. These three great countries occupy much more than half the extent of the South American continent, and contain much more than half its population. The language of Secretary Blaine, in 1882, in reference to Brazil, is, *a fortiori*, much more significant if applied to the great A B C league:

Brazil holds, in the South, much the same relationship to the other countries that the United States does in the North. Her domanial extent, her commerce, and her advancement in the path of successful progress exerts a beneficial and lasting influence in South America. . . . All this tends to make that empire as necessary a factor in securing peace and harmony in America as the United States itself, while its interests in the great and humane results proposed are fully commensurate with our own. . . . What, then, is more natural than that these two great powers should earnestly unite in a movement which, it is hoped, will mark an historical epoch in South America, and exert its influence on countries beyond the seas, and on generations yet unborn.

Such an invitation to an American co-partnership, extended to the partners of the A B C league, together with several of the other stable republics, would, no doubt, be welcome and cordially accepted. The United States exchanges Ambassadors with Brazil and Mexico, thus recognizing them as equals on the highest plane of international society. A like exchange with Argentina and Chile would signalize our deserved respect for these potent nationalities and their welcome into the new American concert; a congress of these American ambassadors could readily consummate the "spiritual union" which President Wilson assures that we seek with the nations of America. The basis of such a union would be recognized friendly equality, and would necessarily carry the pledge of respect for their sovereignty and territorial integrity, so much desired by our neighboring republics. As said by the well-known Argentine political writer, Señor Leopoldo Lugones, in the *Revue Sud-Américaine*:

Never has the realization of Pan-Americanism been more necessary in the New World than now. . . . But Pan-Americanism means nothing without the United States, which represents in America the realization of the right to independence and the triumph of democracy. The first formula of Pan-Americanism, limited to the needs of the policy of defence, is the Monroe Doctrine. Its declarations constitute the most significant and decisive act towards guaranteeing the independence of the Latin-American states. Thanks to the Monroe Doctrine our territorial integrity has been preserved—and that in itself

is enough to insure the United States our everlasting gratitude. . . . If the Monroe Doctrine guarantees to these states the integrity of their territories and their institutions, Latin Americans have nothing to fear, . . . secure in the belief that the Monroe Doctrine, which yesterday assured our independence, will preserve it to us tomorrow.

I wish to close by quoting the eloquent words of Hon. John Barrett, Director General of the Pan-American Union, in a recent address which I heard him deliver in Washington:

I believe that the time has come when there can be evolved from the Monroe Doctrine itself as a principle, and there can be substituted for the "Monroe Doctrine" as a phrase, the principle and phrase of a "Pan-American policy." . . . The Pan-American policy would adopt, absorb and enlarge the Monroe Doctrine as an original policy of the United States into a greater and "All-American" policy, where each nation would have the same rights of attitude, the same dignity of position, and the same sense of independence as the United States now has. . . . By the substitution of "Pan-American" for "Monroe" and thus including all the American nations as sponsors; and by the substitution of "policy" for "Doctrine," and thus removing the hard, unyielding, dictatorial and didactic suggestions of the word "doctrine," a long step will be taken towards a new era of Pan-American comity and confidence. . . . Then we will have achieved that ideal, unselfish and fraternal relationship of the American governments and peoples which will give a new, worthy and permanently accepted significance to Pan-American relationship, Pan-American accord and Pan-American Union.

I have sought to present a consensus of American opinion as to the Monroe Doctrine, its past signal services, its present significance and its high potentiality to the future welfare of all America. I trust to see the early transmutation of the Monroe Doctrine into a Pan-American policy.

THE EFFECTS OF THE PANAMA CANAL ON OUR RELATIONS WITH LATIN AMERICA

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The Panama Canal, Mr. Bryce tells us in his book on *South America*, is the greatest liberty man has taken with nature. He then proceeds to propound some very interesting questions as to the probable effects of the canal on world commerce and, in a less degree, on world politics, also as to its effects on the political relations of Central and South America. He does not answer his own questions, however, the political effects being too delicate a question to be discussed by a diplomat, and the commercial effects being as yet too problematical to warrant a forecast. On the latter point he says: "If a dozen of the most competent experts were, in 1914, to write out and place in the library of the British Museum and the Library of Congress their respective forecasts bearing on this subject, sealed up and not to be opened till A.D. 2000, they might make curious reading in that latter year."

While it may not be safe to make a forecast as to the commercial effects of the canal, I believe that we can point out pretty definitely some of the political changes that it will bring about, for these changes are already well under way. New policies suggested or rendered necessary by this great enterprise have already been formulated to a far greater extent than is generally realized. This paper is, therefore, not a forecast so much as a statement of policies now in the making.

The building of the canal has, in the first place, rendered inevitable the adoption of a policy of naval supremacy in the Caribbean Sea, and, in the second place, it has led to the formulation of new political policies to be applied in the zone of the Caribbean—what Admiral Chester calls the larger Panama Canal Zone—that is the West Indies, Mexico and Central America, Colombia and Venezuela. The policies thus far formulated include the establishment of protectorates, the supervision of finances, the control of all canal routes, the acquisition of naval stations, and the requirement that governments shall be constitutional and based on the consent of the governed.

Taking up a discussion of these policies my first proposition is

that the Hay-Pauncefote treaty was a turning point in the history of the West Indies, in that it was a formal recognition of the transference of naval supremacy in the Caribbean from Great Britain to the United States. The Spanish war contributed in no little degree to that consummation; the economic decline of the British West Indies and their growing dependence on the American market had, no doubt, something to do with it; above all the rapid naval growth of other European powers presented to Great Britain so serious a situation that she wisely decided to cultivate friendly relations with the United States and to remove all causes of possible conflict; she deemed it unwise, therefore, to continue to insist on the joint control of the canal recognized by the Clayton-Bulwer treaty half a century earlier. The advance of the United States in the West Indies has been rapid: Porto Rico was annexed at the close of the Spanish war and Cuba became a protectorate; the Dominican Republic a little later came under the financial supervision of the United States; and the canal zone was leased on terms that amount to practical annexation. The supremacy of the United States in the Caribbean is now firmly established and in fact unquestioned. The political relations of the countries bordering on the Caribbean will of necessity be profoundly affected. Our Latin-American policy, if you object to the name Monroe Doctrine, has been enlarged in meaning and limited in territorial application so far as its new phases are concerned.

The original Monroe Doctrine announced our purpose to protect all the independent Latin-American states against political interference by European powers. We have now gone a step further and established formal protectorates by treaty over Cuba and Panama guaranteeing them not only against outside interference, but against internal disorders, and a similar protectorate over Nicaragua has been proposed. On July 19, 1913, a treaty signed with Nicaragua by Mr. Bryan was submitted to the Senate. It embodied almost word for word the Platt amendment, which defined our relations with Cuba. Nicaragua agreed not to declare war without the consent of the United States; not to sign treaties giving foreign powers a foothold on her soil; not to contract any foreign debt which could not be met by the ordinary revenues of the country; and to recognize the right of the United States to intervene for the purpose of protecting the independence of Nicaragua.¹

¹ *Am. Year Book, 1913*, p. 91.

There were other equally important features of the treaty which will be considered in a moment. But the Senate refused to ratify it. The committee on foreign relations reported it unfavorably by a vote of eight to four.² The press reports indicate, however, that this treaty project has not yet been finally abandoned, but that ratification will be again urged upon the Senate as soon as more pressing matters are disposed of.

President Roosevelt's Dominican policy added an important corollary to the Monroe Doctrine. He held in brief that where it was necessary to place a bankrupt American republic in the hands of receivers, the United States must undertake to act as receiver and take over the administration of its finances; that to allow a European power to take possession of the custom houses to collect the duties, the only effective method of paying the foreign debt, would be a violation of the Monroe Doctrine. He boldly adopted this policy and finally forced a reluctant Senate to acquiesce. In spite of the criticism that this policy encountered, the Taft administration adopted it and proposed to extend it to Honduras and Nicaragua. In January, 1911, a treaty placing the finances of Honduras under the supervision of the United States was signed by Mr. Knox, and in June a similar treaty was signed with Nicaragua. These treaties provided for the refunding of the foreign debt in each case through loans made by American bankers and secured by the customs duties, the collector in each case to be approved by the President of the United States, and to make an annual report to the department of state.³ These treaties were not ratified by the Senate.

Secretary Knox then tried another solution of the question. February 26, 1913, a new treaty with Nicaragua was submitted to the Senate. By the terms of this treaty Nicaragua agreed to give the United States an exclusive right of way for a canal through her territory and a naval base in Fonseca Bay in return for a payment of \$3,000,000. The Senate failed to act on this treaty, as the close of the Taft administration was at hand. In July Mr. Bryan submitted to the Senate a third treaty with Nicaragua containing the provisions of the second Knox treaty and in addition the provisions of the Platt amendment, as already stated above. This arrangement has so far failed to receive the approval of the Senate. It is to be noted that

² *Ibid.*, p. 125.

³ *Ibid.*, 1911, p. 97.

the second Knox treaty and the Bryan treaty did not propose financial administration by the United States, but the Bryan treaty bound Nicaragua not to create a public debt which could not be met by the ordinary revenues of the island.

President Wilson's attitude toward foreign concessions is a matter of importance and carries our Latin-American policy a step further. As he expressed it, it is this:

You hear of concessions to foreign capitalists in Latin America. You do not hear of concessions to foreign capitalists in the United States. They are not granted concessions. They are invited to make investments. The work is ours, though they are welcome to invest in it. We do not ask them to supply the capital and do the work. It is an invitation, not a privilege, and the states that are obliged because their territory does not lie within the main field of modern enterprise and action, to grant concessions are in this condition, that foreign interests are apt to dominate their domestic affairs—a condition of affairs always dangerous and apt to become intolerable. . . .

What these states are going to seek, therefore, is an emancipation from the subordination which has been inevitable to foreign enterprise and an assertion of the splendid character which, in spite of these difficulties, they have again and again been able to demonstrate.⁴

These remarks probably had reference to the oil concession which Pearson and Son of London had arranged with the president of Colombia. This concession covered practically all of the oil interests in Colombia, and carried with it the right to improve harbors and dig canals in the country. As oil is coming into use as a naval fuel, the occupation of the Colombian oil fields and harbors by a foreign corporation presented a serious question. However, before the meeting of the Colombian Congress in November, 1913, which was to confirm the concession, Lord Cowdray, the president of Pearson and Son, withdrew the contract, alleging as his reason the opposition of the United States.

The next policy which we shall consider is that of acquiring control of all possible canal routes so that no competing canal may at any time in the future be dug by other powers. The manner in which we acquired the Panama Canal Zone produced a very bad effect throughout Latin America. Following Roosevelt's assertion of the big-stick policy and of the duty of the United States to play policeman in the western hemisphere, his seizure of the Canal Zone—to adopt his own

⁴ *Ibid.*, 1913, p. 91.

view of the transaction—aroused serious apprehension and made the countries of Latin America believe that the United States had converted the Monroe Doctrine from a protective policy to a policy of selfish aggression. His hasty recognition of the Panama Republic tended to strengthen belief in the reports that he had instigated the revolution. Colombia felt outraged and aggrieved, and this feeling was not alleviated by Mr. Roosevelt's speech to the students of the University of California in which he boasted that he had taken the Canal Zone, and that if he had not acted as he did the matter would still be under discussion.

In January, 1909, shortly before the close of the Roosevelt administration, Secretary Root had undertaken to reestablish friendly relations with Colombia by means of a tripartite treaty between the United States, Panama and Colombia. The proposed agreement provided for the recognition of the Republic of Panama by Colombia and for the transference to Colombia as Panama's share of the public debt of the first ten instalments of the annual rental of \$250,000 which the United States had agreed to pay to Panama for the lease of the Canal Zone. The treaty was ratified by the United States and by Panama, but not by Colombia. The Taft administration made repeated efforts to placate Colombia, which resulted in the formulation of a rather remarkable proposition by Secretary Knox shortly before the close of the Taft administration. His proposals were that if Colombia would ratify the Root treaty just referred to the United States would be willing to pay Colombia \$10,000,000 for an exclusive right of way for a canal by the Atrato route and for the perpetual lease of the Islands of St. Andrews and Old Providence. These proposals were rejected by Colombia. The American minister, Mr. Du Bois, acting on his own responsibility, asked informally whether \$25,000,000 without options of any kind would satisfy Colombia. The answer was that Colombia would accept nothing but the arbitration of the whole Panama question. Mr. Knox in reporting the matter to the President said that Colombia seemed determined to treat with the incoming Democratic administration.⁵

In his message to the Colombian congress, September, 1913, President Restrepo referred to the conciliatory attitude of President

⁵ 62d Cong., 3d sess., H. Doc. 1444.

Wilson, and added: "The probability that the service of the Isthmian Canal will soon be available, the advantage of cultivating frankly cordial relations with the United States, the clear and progressive development of our nationality, and the peculiar needs of our maritime departments, are making every day more close our *rapprochement* with the great Republic of the North."⁶

It would probably be wise policy as well as an act of justice on our part to agree upon some compromise with Colombia. While ordinarily a political act like the recognition of a new state is not a proper subject for arbitration, there are certain features of the Panama case which possibly afford legal ground for Colombia's demand for pecuniary damages. I refer to President Roosevelt's interpretation of the treaty of 1846. That treaty was a contract between the United States and Colombia, and yet President Roosevelt construed it as an obligation assumed by the United States for the benefit of the world at large, and under this interpretation he refused to allow Colombia to land troops in Panama for the purpose of putting down the insurrection. If Colombia should continue to insist on arbitration, basing her claims on President Roosevelt's forced construction of the treaty, it is difficult to see how the United States could refuse to submit the question to arbitration.

The Nicaraguan treaty, signed by Mr. Bryan but not ratified by the Senate, provided that the United States should have an exclusive right of way over the Nicaraguan canal route. It was stated at the time that this treaty was negotiated that Germany was considering the possibility of getting the right of way for a canal through Nicaragua, but such a suggestion seems extremely improbable.

Another important policy is the acquisition of naval stations in the Pacific and in the Caribbean. The Bryan treaty with Nicaragua, as we have already seen, provided for a ninety-nine-year lease of a naval base in Fonseca Bay and also for the lease of the Great Corn and Little Corn Islands in the Caribbean. The Knox proposals to Colombia provided for coaling stations on the islands of St. Andrews and Old Providence in the Caribbean.

The last policy to which I shall refer is President Wilson's requirement that the governments of Latin-American states shall be constitutional in form and based on the consent of the governed, or,

⁶ *Am. Year Book*, 1913, p. 89. Quoted from *London Times*, September 30, 1913.

to state it negatively, the doctrine of non-recognition. This is of course the policy that the administration has adopted in the case of Mexico. In his Swarthmore speech President Wilson said: "I would like to believe that all this hemisphere is devoted to the same sacred purpose and that nowhere can any government endure which is stained by blood or supported by anything but the consent of the governed." The refusal to recognize a revolutionary government is not as novel a policy as some of the opponents of the Wilson administration would have us believe,⁷ but as this question has a special place in this volume I shall not venture to discuss it further.

The building of the canal has thus led to new developments of the Monroe Doctrine, developments not applicable to firmly established states like Argentina, Brazil, and Chili, but limited to what we Americans erroneously regard as typical Latin-American states, that is, the states within the zone of the Caribbean. The new applications of the simple principle announced by President Monroe in 1823 have aroused the apprehensions of certain Latin-American writers, and their denunciations of what they are pleased to call this pseudo-Monroeism have not failed to win the sympathetic support of a more or less limited number of writers in this country. Some of these writers appear to cherish a personal grievance against this cardinal principle of American diplomacy and one writer in particular has vehemently denounced it as an obsolete shibboleth.⁸ It is in vain that the critics point out the difference between the doctrine of 1823 and the doctrine of 1914 or the difference between the international situation then and now. If the original policy had not expanded with the lapse of time or taken on new phases with the development of new situations, it would long since have ceased to be of any value to us, for the exact situation that called forth the original declaration in 1823 can never again arise. The Monroe Doctrine is merely a name that Americans have given for ninety years to our Latin-American policy, which in the necessity of things has undergone changes and will continue to undergo them, and it is no more likely that the public will repudiate the name than that the State Department will repudiate the policy.

Señor Calderón, in the *Atlantic Monthly* for March, 1914, takes

⁷ Moore, *Digest of International Law*, I, 138-168.

⁸ Bingham, *The Monroe Doctrine an Obsolete Shibboleth*.

issue with Professor Bingham's recent attack on the Monroe Doctrine on several points. He says:

It is not true, as Professor Bingham maintains, that amongst the republics which form the ABC alliance, Argentina, Brazil, and Chili, powerful and solidly organized states, one finds any jealous opposition to the neo-Saxon power—such as would explain, according to Professor Bingham's theory, the alliance of these ambitious peoples. On the contrary, among these nations, out of range of North American action, the liveliest sympathy with the politics of the United States is discernible. . . . It is rather in the "zone of influence" of the United States, between the northern frontier of Mexico and Panama, in the Antilles, in Colombia and Venezuela, that hatred against the United States has become a popular passion.

His final conclusion as to the future of the Monroe Doctrine we may safely accept: "The wisest statesmen have no thought of divorcing this doctrine from the future history of America, even though they criticize its excesses most severely."

THE MONROE DOCTRINE AND THE CANNING MYTH

BY CHARLES H. SHERRILL,

Former Minister to Argentina.

On the twelfth of December, 1826, George Canning, then prime minister of England, made the proud statement in the House of Commons: "I called the New World into existence to redress the balance of the Old." This striking sentence, pronounced as it was by one of the greatest figures which the English parliamentary system ever produced, has received wide credence ever since, even our own writers admitting that his suggestions had much to do with the wording and promulgation of the Monroe Doctrine. In South America, the belief of the people in his controlling part in the acquisition and preservation of their liberty has caused the erection of more than a few monuments to his memory. It is to the credit of those warm-hearted peoples that these testimonials to him were not affected by the frank admission of his boast that he was actuated not by a love for liberty, but by his need for something new to support his foreign policy in European affairs.

The credit for the calling into existence of the New World belongs not to Canning, but to the splendid patriotism of those colonists who by means of many a pitched battle and arduous campaign drove out the Spanish, and even defeated an English army by the River Plate. Theirs is the glory of having alone and unaided gained for themselves the great boon of political independence. All hail, then, to San Martin, to Bolivar, to Sucre, to all their glorious and victorious brothers-in-arms! We shall see that Canning was equally unentitled to the credit of guaranteeing their hard-won independence against the land-hunger of Europe, which has made of Africa a congerie of European dependencies; this credit belongs to the people of the United States who, by means of President Monroe's message, that first clarion call of Pan-Americanism, cried out to all the world, "Hands off! these are our sister republics of this, the hemisphere of freedom."

It is our purpose to show from documents, some long forgotten, some recently published, that Canning himself knew that his boast was an empty one, that his remarks to Rush (American min-

ister in London) had nothing to do with framing the Monroe Doctrine, that it was Rush who, entirely without authority, suggested the co-operation of England with America (just as he had suggested it five years before to Castlereagh), that he, Canning, was surprised by the terms of Monroe's message, was opposed to its guarantee of South American liberty as against Spain, and also to its forbidding Europe to plant colonies in this hemisphere.

The chief reason for the credence generally accorded on this side of the ocean to Canning's claim is Rush's expressed belief that Canning's suggestions were largely responsible for the Monroe Doctrine. It was but natural that Rush should have come to believe this. It was only human for him to attach undue importance to certain remarks of Canning's of which he would figure in history as the medium of communication to his own government. He realized and reported the deep impression made in Europe by the policy announced by President Monroe, but we shall see how far Canning's private views coincided with Rush's beliefs.

Rush tells us that toward the end of August, 1823 (the Monroe Doctrine was not announced until December 2 of that year), after he had broached the subject to Canning of England's following our lead in recognizing the independence of the Spanish American colonies (which we had already done in 1822), Canning sounded him as to whether there could be effected some public expression "intimating the joint disapprobation of Great Britain and the United States of any projects which might be cherished by any European power, of a forcible enterprise for reducing the (Spanish) colonies to a subjugation on the behalf or in the name of Spain; or the acquisition of any part of them to itself by cession or conquest." A similar proposition was made by Canning to France October 9, 1823. It seems to have been entirely overlooked or forgotten that Canning, when interrogated in Parliament "whether the King of Spain would be allowed by this country to seek to cover His Transatlantick Colonies," contented himself with stating "that the mother country had the right to attempt to recover her colonies, but that no foreign power had the right to make that attempt in her behalf." How quickly this was forgotten appears from the fact that shortly thereafter Canning, himself forgetting it, made his famous boast. The struggling colonies heard only of his boast and not of his willingness to return them to Spain from whom they had just won their independence. Also there

has been generally overlooked Rush's report that on November 24, 1823, Canning expressed his belief that a monarchy would be the best form of government for the Spanish colonies—a true friend of struggling republics indeed!

In many writers there may be noted a certain restlessness—a note of protest that so inspiring a triumph for liberty in our hemisphere as was the continued freedom of the Spanish colonies, should have to acknowledge a source no higher up the stream of international ethics than the scheming of a politician who openly claimed that he had created South American liberty to use it as a pawn in his game of European politics! Must we admit that the Monroe Doctrine had its rise in the whirlpool of European chicane, and only later joined the majestic stream of liberty whose fountain head was the Declaration of Independence? I have long felt how glaringly incongruous it was that a cause so far removed from international altruism should have produced so glorious a result, but it seemed impossible to find anything from an English source to disprove Canning's words, although many indications were available to show clearly that President Monroe was but announcing a widely cherished policy of the American people, and not launching a doctrine either invented by himself or suggested to him by any one European or American statesman. All of these indications antedate Canning's suggestion to Rush. The diary of John Quincy Adams, then secretary of state, shows that on May 13, 1818, President Monroe propounded the following question at a cabinet meeting: "Whether the ministers of the United States in Europe shall be instructed that the United States will not join in any project of interposition between Spain and the South Americans, which should not be to promote the complete independence of those provinces; and whether measures shall be taken to ascertain if this be the policy of the British government, and if so to establish a concert with them for the support of this policy." When, as a result of Rush's having introduced the subject, Castlereagh sounded him July 31, 1818, as to coöperation with the United States in respect to mediation between Spain and her colonies, Rush was already authorized to answer that we would not take part "except on the basis of the independence of the colonies." . . . "A determination to which his government had come on much deliberation." Note this "on much deliberation," and also that this was a full five years before he heard the suggestion from Canning upon which the latter and his

admirers based so much. Jefferson, in a letter of August 4, 1820, to William Short, says: "The day is not far distant when we may formally require a meridian of partition through the ocean which separates the two hemispheres, on the hither side of which no European gun shall ever be heard." No, there should never have been any misunderstanding, at least on this side of the water, as to how generally accepted was this policy of our people to maintain ours as a hemisphere of liberty, nor any ignorance of the fact that Monroe but enunciated an established policy instead of launching a new doctrine. It was but the natural outgrowth and development of Washington's famous declaration against entangling foreign alliances.

Notwithstanding how easy it has always been for a student of American history to show that Canning did not suggest the terms of the Monroe Doctrine, it was not until very recently that anything appeared by way of new evidence, which could conclusively prove that Canning knew when he made this boast that it was not a true one. The discovery to the world of this new evidence adds another chapter to the romance of historical "finds," the unearthing of which is so delightful to the student seeking the reasons for great events. Let us accompany him into the erudite atmosphere of his library where lie piled the dusty tomes and unpublished letters that smugly keep their own counsel and their writers' secrets. By such assiduous delving into ancient records did Funck-Brentano learn from the Archives de la Bastille the real identity of the mysterious wearer of the iron mask about whom Alexander Dumas wove so delightful a web of fiction. John Fiske tells us in his *American Revolution* that it was a similar quest among the old books in the library of the Strachey family at Sutton Court, in the county of Somerset, England, that brought to light the letter of General Charles Lee, written while in a British prison during the revolutionary war, which, some eighty years after the event took place, proved him to have been a traitor. How rightly Washington relieved him from his command after his then inexplicable behavior which so nearly lost us the battle of Monmouth! Imposing is the array of ghosts which have thus accusingly arisen from ancient documents to correct the history of events long misunderstood or incorrectly reported. And from whose forgotten writings shall we obtain unanswerable proof that Canning was not responsible for the Monroe Doctrine, and did not seek to guarantee the freedom of Spanish America? What source could be more convincing than his

own letters to Bagot, English minister to Russia, recently published by a member of the Bagot family? At last we can discard the dramatic statement of a politician made at a strategic moment to support his political purposes, and read the facts as privately written by him at the time to an intimate friend.

In an official letter dated at the foreign office, January 9, 1824, just after receiving news of Monroe's famous message, he says to Bagot: "How far that part of the speech of the President, which relates to Spanish America may . . . have been prompted by a knowledge of the sentiments of His Majesty's government upon that subject, it is impossible to say." Speaking of the differences between those sentiments and this speech he goes on to say, "The first and most essential difference is that the government of the United States has actually acknowledged the independence of the late Spanish Colonies, while His Majesty's government continues . . . still to withhold such recognition. . . . If the message of the President is to be considered as objecting to an attempt to recover her dominions on the part of Spain herself, there is again as important a difference between his view of the subject and ours as perhaps it is possible to conceive." The "New World" which he later claimed to have created could have again become subject to Spain, if only he be first allowed to use it in "redressing the balance of the Old!" Continuing he says: "It is hardly necessary for me to add . . . that the principle (if principle it may be called) which is brought forward in the President's speech, prohibiting all further colonization on the continents of America, is as new to this government as to that of France." A frank and full statement that Canning would not oppose our sister republics losing their liberty to Spain, nor wished them closed in the future to European colonization! Could anything be further from the Monroe Doctrine? Their temporary liberty was only to suit his political policy, and then, so far as he cared, they could be turned back to Spain, or colonized as has been India, or Egypt, or Algiers or Tripoli! At last the cat is out of the (letter) bag. As to the long-believed theory that he and Rush (he as the originator and Rush as the transmitter) had contributed greatly to the preparing of the famous doctrine, hear this excerpt from the same letter of Canning: "I lost no time in applying amicably to Mr. Rush for an explanation for that part of the President's speech. Mr. Rush professed to be wholly unprovided with instructions on the subject

He says that he has not heard from his government since the opening of Congress, nor even received officially a copy of the President's speech." This was privately written in January, 1824, and in December, 1826, Canning had the effrontery to make the public statement in the House of Commons; "I called the New World into existence to redress the balance of the Old!" He outdid Little Jack Horner in that he not only shouted "What a big boy am I," but also claimed the credit both for pulling out the plum and for baking the pudding. Why not carve on the base of his statues in South America, "He approved the return of Spanish rule. He preferred monarchies instead of republics in South America."

His lack of interest in the continued freedom of the South Americans either from a renewed Spanish rule, or from their colonization by some other European power, makes it but natural that his first minister accredited to those newly born republics, Lord Ponsonby, should entertain such an attitude of mind toward them as to write home in 1826: "No eye ever saw so odious a country as this Buenos Ayres. I will not trust myself to speak of it;" and on October 17 of the same year, to write even more disparagingly of the Brazilians in a letter which tells of "Mr. Canning's approbation of my conduct." It is uplifting to be able to turn from such a viewpoint of the South Americans to the following: "We behold there the glorious spectacle of eighteen millions of people struggling to burst their chains and be free." So spake Henry Clay, the man who had more to do with the recognition of the independence of those colonies, both in baking the pudding and in pulling out the plum, than did ever the boastful Canning. From 1816 on, both in Congress and outside, Henry Clay never ceased his efforts. In the winter of 1821, long before Canning's suggestion to Rush, Clay secured the passage in Washington of the resolution that "the House of Representatives participate with the people of the United States in the deep interest which they feel for the Spanish provinces of South America, which are struggling to establish their liberty and independence, and that it will give its constitutional support to the President of the United States whenever he may deem it expedient to recognize the sovereignty and independence of any of the said provinces." In 1822 President Monroe published the formal recognition, which was the crown to Clay's long struggle. The modern South Americans have forgotten the persistent and intelligently strenuous friendship of Henry Clay, so deceived

have they been by constant reiterations of the Canning Myth. Their forefathers loved him so well that more than once were there read aloud at the head of their revolutionary armies portions of the speeches he was making in Congress from 1816 to 1820, urging the recognition of their independence. His altruistic efforts in their behalf and interest in their war for freedom, find an echoing note in the touching friendship of Lafayette for our own people under similar circumstances. Henry Clay was actuated by no other motive than admiration for the struggles of a gallant people, and a passionate yearning that their independence be once and for all time recognized by his own beloved land, which had by so short a time preceded them in entering the family of nations. Henry Clay was tainted with no wish to use their liberty as a pawn in the game of politics, nor was he willing to give them back to Spain, nor to allow European colonization later on to rob them of their hard-earned sovereignty!

Now that the dusty tomes of old correspondence have given up their secrets, we may at last cast away the belief that there was due to the play of intrigue in European courts, that great boon to South America of freedom forever from their intermeddling. No longer need the boasts of a sharp-witted politician continue to enjoy the confidence of credulous peoples who knew only of what he publicly said, and not of what he privately wrote. Away with the long-credited myth that put the Monroe Doctrine out of step with the majestic onward march of republican free government! The tree of American liberty becomes all the more symmetrical, since we learn that the Monroe Doctrine is one of its own branches, and not an alien growth grafted upon it. Let the policy announced in Monroe's message fit into its proper place in the orderly sequence of benefits won for political liberty in this hemisphere by that immortal document, the Declaration of Independence, which in express terms acknowledged as its inspiration a power immeasurably higher than politicians for whom political liberty is but a tool to use, and, when used, to discard.

THE ATTITUDE OF EUROPE TOWARD THE MONROE DOCTRINE

BY A. MAURICE LOW, M.A.,
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I have been asked to explain the attitude of Europe toward the Monroe Doctrine, but that would be an easier task did Europe know what the Monroe Doctrine is. That is where you have us of Europe at a disadvantage. We have to take the Monroe Doctrine largely on faith not unmixed with doubt, hoping for the best and always fearing the worst.

So far as England is concerned, she craves no additional territory. I know there is a well established belief among Americans that England never refuses to pick up any unconsidered trifle in the form of an island or a continent that may be lying around loose, and that her diplomacy is always directed with the view of putting another patch of red upon the map. That might have been true in the past, but it is not true today. What she wants is peace and to be allowed to develop her empire commercially. To buy American cotton, turn it into cotton goods and sell them to America is more profitable than adding a few thousand square miles of jungle to the area of the British Empire. Modern statesmanship is "dollar diplomacy," and although that is a discredited term in the ears of some people, it is the true diplomacy of the twentieth century. The lust for land no longer exists. Wars of aggression or to satisfy dynastic ambitions belong to the past. The real diplomat of today is the hustler who carries a case of samples and speaks the universal language of "thirty days, less two off for cash;" terms incomprehensible no doubt to many of us here, but which are as well understood by the guileless trader of the Middle Kingdom as by the merchant of Bombay, the Manchester manufacturer and the Pittsburgh foundryman.

When British manufacturers sell goods or bankers lend their money or contractors build railways or docks or investors develop mines and plantations in a foreign country, they do not care about its politics. They want to feel sure that their contracts will be

observed, that life and property are secure, that the foreigner will have justice done him. In the past, in various parts of the world, the British trader was encouraged by his government to seek new markets and extend the commerce of Britain, and he went forth as a commercial pioneer, taking risks and meeting hardships, but knowing that he could rely on his government for protection. His reliance was not misplaced. In some of the darker corners of the globe we had to administer justice in summary fashion. There is much virtue in a six-inch shell if properly aimed. We went up and down the world teaching civilization with ships and armies, and making the commerce of the world safe and open to all nations.

In the last few years there has grown up what I venture to think is a decidedly immoral doctrine, and it is in the territory particularly under the protection of the United States that this doctrine, I regret to say, is most flagrantly exploited. Europeans are encouraged to furnish Latin America with the capital and enterprise needed for its development, but when contracts are repudiated or property destroyed by revolution, courts make a mock of the law and simply register the decree of a dictator, men are badly treated and at times killed; punishment, we are told, may not be inflicted, because the foreigner went there on his own volition and knew the risks he was taking. In theory these countries are supposed to be civilized and are to be treated with the respect and consideration one free and independent sovereign state has the right to expect of another. So far has this theory been carried that the Pan-American Congress, in the City of Mexico in 1901, declared that:

"America, as well as Europe, is inhabited today by free and independent nations whose sovereign existence has the right to the same respect, and whose internal public law does not admit of intervention of any sort on the part of foreign peoples whosoever they may be."

Here is a platitude wrapped up in high sounding words, as most platitudes are, stating a truism with all the solemnity of a vital discovery, and enunciating a declaration impossible of acceptance. Nations similar to individuals are entitled to receive precisely that respect which they give. A nation that administers exact justice, that treats foreigner and citizen impartially and respects its obligations, similar to a man who is considerate of his neighbors and keeps his word, is entitled to and is accorded respect. To try to write into the Code of Nations a declaration so contrary to morality and so

subversive of an advanced civilization—that the law of any state may not be questioned by “foreign peoples”—is a declaration opposed to public policy. It is much as if the promoters of get-rich-quick enterprises should meet in conference and declare that the post office department has no right to question their operations. It is only the lawless that have no respect for the law.

Rhetoric may conceal truth, but cannot create it. To put all the nations on the same plane, to bracket them together as entitled to the same respect, is an absurdity. The half barbarous nations of the Balkans are lower in the scale of civilization than England or France or Germany. The civilization of Central America has not yet been brought to the high standard of North America. This somewhat blunt way of stating facts may offend the sensibilities of the peoples of the Balkans, as it may those of the states of Central America, but they have the remedy in their own hands. If they want to be treated with the same consideration as the great nations, they only have to show the same veneration for law and the same observance of a constitutional form of government. Nor is it true, as they so often assert, that the smaller states of Central America have to submit to being bullied because they are small and defenseless. Switzerland, Denmark, and the Netherlands, could be packed away in Nicaragua with room still left for several thousand persons to move about without being crowded. Switzerland, Denmark, the Netherlands, Belgium, Norway and Sweden could be stowed away in Venezuela with a margin still left to allow expansion. Yet while Venezuela and Nicaragua constantly furnish work for the diplomats and continually threaten their neighbors' peace, the little nations of Europe that I have just mentioned cause no uneasiness. The banker feels as secure when he lends them money as he does in dealing with the United States or any of the great European powers. In the sisterhood of nations, it is not size but character that counts.

To speak quite frankly, the Monroe Doctrine is not popular in Europe, and that unpopularity comes not from what the Monroe Doctrine is, but rather from what it is not. We have no objection to the United States taking such precautions as may seem necessary to safeguard itself. England has done the same thing and has a Monroe Doctrine in the Persian Gulf. Japan found it necessary to go to war to protect herself from the menace of attack through Korea. The right of a nation to take adequate means for its protection

will not be denied. But those rights involve corresponding obligations. It is as dishonest for a nation to seek to obtain undue advantages and render no service to humanity as it is for an individual to grow rich by preying upon the credulity or avarice of his neighbors.

Some thirty years ago a conference was held in Berlin, of which the United States was a member, to discuss spheres of influence. It was agreed that a power claiming a sphere of influence must make its jurisdiction effective; in other words, in return for the advantages conferred by dominating or controlling territory it must assume certain obligations, and one of the most important of these is the protection of foreign subjects and their property.

The territory embraced by the Monroe Doctrine is the American sphere of influence, and I think Europe has a right to expect that the United States will not shirk its obligations. The United States cannot play fast and loose with its compacts. It cannot in honor say that Europe shall not take the territory of Latin America in satisfaction for debt or as punishment for the murder of its subjects, and yet at the same time refuse on its own account to take measures to compel defaulting states to pay their just debts or make reparation for their crimes.

The United States by its policy of "hands off" to Europe, and its refusal to accept responsibility for orderly government must be held—and I say it with regret—largely to blame for the revolution, disorder, and insecurity that have so disgraced Latin America. If there was no Monroe Doctrine, Latin America would have a wholesome respect for British and German battleships. Latin America now laughs at Europe and sneers at the United States and wallows deeper in the pit of anarchy. That, as I see it, is the great result of the Monroe Doctrine. Let me add that I use the term "Latin America" generically, and while some of the states of Latin America are faithful in the observance of their obligations and considerate in their treatment of foreigners in Latin America, as elsewhere, the just have to suffer for the crimes of the unjust.

I have said that Europe does not know what the Monroe Doctrine is or means, and I doubt very much if any one in America is better informed. All that we know is that the mere suggestion of any European power taking measures to protect itself in Latin America immediately arouses the active dislike and even open hostility of the United States. Some Americans, however, who have generously

attempted to interpret the Monroe Doctrine for the benefit of benighted Europe have said that there is nothing to prevent us from seeking reparation provided we do not occupy territory. I presume those persons have a profound belief in the efficacy of absent treatment. It recalls the old nursery rhyme of the daughter who asked her mother for permission to bathe, which the mother granted to her darling on condition that she would not go into the water. If we are not permitted to occupy territory, how can we exert pressure? If we cannot seize a custom house until a fine is paid, what redress have we?

Not long ago in a discussion of the Monroe Doctrine, an eminent American asserted that "the Monroe Doctrine does not stand in the way of a just war between any South American state and European state." What constitutes a just war the speaker did not define, but we may be sure the stronger power would always maintain the justice of its cause and the weaker would proclaim to high heaven its infamy; but after the war was over there would be at least this consolation, the question could be referred to The Hague for determination. It will be remembered that a few years ago Great Britain, Germany and Italy, feeling they had just complaint against Venezuela, established a pacific blockade of one of its ports, much to the delight of the natives, who never having seen such a gallant spectacle believed it was arranged solely for their amusement, and enjoyed it hugely. But not so Washington, where there was much perturbation among the guardians of the Monroe Doctrine and much searching, if not of hearts at least of precedents, to discover whether profane hands had not been laid upon the palladium of Latin-American debt repudiation. It was admitted by your President and his advisers that a pacific blockade was permissible, but it was also intimated to the powers concerned that the sooner they found it convenient to order their ships away the better it would please the United States. A pacific blockade, however, not producing any tangible results in the way of cash, and the Monroe Doctrine prohibiting the allies from seizing and occupying territory, which the Venezuelans knew, a few shells were thrown into the port to remind its people that the ships had not been sent there to make a Latin-American holiday. When the news reached Washington of the firing of those shells there was much excitement. What would have happened had the powers really struck a blow instead of being content to show their teeth, I

do not venture to say, but I can easily imagine that a somewhat awkward situation might have been created. If any European power should seriously go about to make war, just or otherwise, on one of the states of Latin America, I do not think it would be long before the United States would ask explanations. It is not necessary to call attention to the message sent to Congress by President Cleveland that brought the United States and Great Britain almost to the verge of war.

What Europe thinks of the Monroe Doctrine cannot be told until Europe knows what Americans think of it. After careful investigation I reach the conclusion that as three schools of Monroeists exist in the United States the foreigner is apt to become somewhat confused in his attempt to reduce the Monroe Doctrine to terms. To the first school belong the men who believe it is for the best interests of their country that the Monroe Doctrine should purposely be left vague, so that, as Secretary Hay once unofficially and somewhat jocularly defined it to me; "The Monroe Doctrine is anything that the American people choose to make of it of any particular time to fit any particular emergency." President Wilson has recently been reported in the newspapers as saying, "There is much discussion, but no doubt, as to what the Monroe Doctrine means." And Mr. Taft, with equal brevity and no less lucidity, wrote not long ago, "Any question dependent upon or involving the maintenance of the traditional attitude of the United States concerning American questions commonly described as the Monroe Doctrine." Clearly then from this school we shall receive no precise definition.

To the second school belong the men who fear there is something in the words "Monroe Doctrine" to offend the sensibilities of Latin Americans, and therefore they would abandon the name while retaining the principle. They tell us that Latin America does not desire to be under the protection of the United States as enforced through the Monroe Doctrine, and that, instead of solidifying the relations between the United States and Latin America, the Monroe Doctrine creates friction. But while the colonization of Latin America by Europe is not to be permitted and the European powers are not to be allowed to take means to secure redress in case of wrong doing, there is to be no obligation imposed upon the United States to act for Europe when the necessity demands it.

To the third school belong those men who display a curious

timidity about a great nation executing its own mandate. The Monroe Doctrine they tell us is good, but when anything is to be done under its operation, the United States must ask for the assistance of some of the Latin-American powers.

Many well meaning but I fear short-sighted persons have urged with great persistence and more or less vehemence the wisdom of the United States incorporating the Monroe Doctrine into a joint stock concern and inviting some of the states of Latin America to acquire proprietary rights therein, tintured, I presume, by the prevailing belief that a monopoly is vicious, but by some magic arrangement a bad trust may be made good, and if there are Latin-American stockholders the curse will be taken off the Monroe Doctrine. It is not for a foreigner to instruct Americans, but whatever affects the United States is a matter of vital concern to an Englishman, and I cannot refrain from pointing out the grave danger you will run if the Monroe Doctrine is transformed from a purely North American polity to a Pan-American policy.

In the first place, it is contrary to the teaching and experience of history, and history is valueless unless we make the past a guide to the present. History shows that an alliance between nations of different blood and different speech and different traditions, whose concepts of justice and society are not the same, whose civilization is not the same, has never endured and eventually is certain to involve the contracting powers in grave complications. And where shall this alliance end? Certain Latin-American states are now mentioned as eligible to admission in this partnership. How long, do you think, it will be before other states will claim the same right, insisting upon it as evidence of their high cultural development and if refused will naturally be bitterly resentful, as it would be public advertisement that they are inferior and not worthy to rank with states of the first order? Instead of a Pan-American doctrine bringing peace and order to Latin America and satisfying Europe it would throw another discordant element into that political cauldron and change the whole status so far as Europe is concerned.

If the United States is anxious to invite Europe to challenge the Monroe Doctrine it cannot adopt an easier course than to admit Latin America into partnership, for I think it must be evident to every one that while Europe will accept a doctrine maintained by the United States it will properly enough resent the dictation of Latin

America. I do not say that Europe considers itself "better" than Latin America or regards Latin America as inferior, as I dislike very much the assumption of national superiority or the calm condescension of foreigners. We need not go deep into reasons, for certain things are so well understood that explanations are unnecessary. An Englishman will go into an American court of law and have no fear that his nationality will prejudice him. An American feels secure in the impartiality of British justice. An Englishman in America has no dread that his property will be seized because his sympathies were with one political party or he hoped for the success of a rival political leader. An American may live in England, and without risk to his person or fortune hold in contempt monarchical institutions. When the same stability and the same liberty of thought and action exist in the states of Latin America as in the United States and Great Britain it will then be time enough to consider the wisdom of making the states of Latin America the mandatory of this continent.

A further objection is that an alliance of the kind suggested is unworthy of a nation so great and powerful as the United States; it is a confession of weakness that the United States ought not to make. If the United States is not strong enough and courageous enough—and no one doubts either its strength or its courage—to uphold and enforce the Monroe Doctrine it ought to abandon it and not ask assistance to infuse it with vitality.

If the United States is to regard the Monroe Doctrine simply as a means to obtain special privileges and hamper the legitimate expansion of Europe in Latin America, Europe will always resist it and be irritated and it will be the cause of continuing friction, but if, while safeguarding the interests of the United States, it is also to be a means of keeping the peace and inducing Latin America to observe its obligations it will have the cordial support of the great powers of Europe. It would promote the harmony of international relations were the United States either frankly to declare what the Monroe Doctrine is, so that all nations might no longer remain in doubt, or with equal frankness impress upon the states of Latin America that they cannot hope to escape the penalty of wrong doing by shielding behind the nebulous uncertainty of the Monroe Doctrine.

WHAT EUROPEAN COUNTRIES THINK OF THE MONROE DOCTRINE¹

By DR. HERBERT KRAUS,

University of Leipzig.

It would be interesting to present a picture of the many international conflicts which the Monroe Doctrine has prevented, and at the same time to attempt to portray what would have been the probable condition of affairs on the American continent had the Monroe Doctrine never been promulgated. But it is impossible for any human brain to furnish a detailed picture of this imaginary situation. To do so would require the prophetic vision of a seer.

No stretch of imagination is necessary, however, to recognize clearly that Central and South America without this great *principle of isolation* would be a field of great rivalry for colonization; a rivalry which, on account of the higher value of the prizes offered, and also on account of the greater power of resistance of the American States in question, would make the struggle for the division of Africa seem small in comparison, and cause the shedding of rivers of blood. This side of the Monroe Doctrine is, as a rule, not yet sufficiently understood, and hence not appreciated, by the public opinion of Europe, which follows, registers, notes and criticizes the circumstances in which this dogma of American politics is applied.

European interest in the Monroe Doctrine, at least in the three countries chiefly concerned, viz., Germany, England and France, is uncommonly great. In Europe as in America it is only necessary to connect a particular incident with the Monroe Doctrine in order to arouse a lively public interest. Very different, however, are the feelings which this word arouses on the opposite shores of the Atlantic. In the United States one always finds confirmed the words of one of its leading statesmen, who once wrote me that "it may, indeed, almost be said that all our government has to do to rally the people to the support of any measure . . . is to couple it with the revered title of the Monroe Doctrine."

¹ Compare with the following my book, entitled *The Monroe Doctrine in its Relation to American Diplomacy and to International Law*, published by J. Guttentag, Berlin, 1913.

European opinion, on the contrary, generally taking a critical attitude towards such matters as are coupled with the Monroe Doctrine, oscillates between a dignified reserve and a certain distrust which soon develops into open hostility on the part of the chauvinistic press. That Europe has not fully appreciated the causes, aims and accomplishments of this doctrine, and that the full comprehension of its character and its tasks only slowly and hesitatingly makes its way in the public opinion, is hardly to be wondered at. Is the situation, after all, very different in the United States? How many are there in that country who really have a correct idea of the purport and limitations of the Monroe Doctrine, based on an intimate and unprejudiced knowledge? How often, for instance, is it associated with affairs with which it has no connection whatever? For example, what relation has it with the much discussed question of the Panama Canal tolls? This controversy is nothing more than a dispute about the interpretation of treaty rights. And yet the Monroe Doctrine is incessantly drawn into the discussion. Even such a man as Champ Clark declared in his recent speech, in the House, against the amendment to the Panama Canal act, that "repeal would mean practical abandonment of the Monroe Doctrine."

Although some German papers recently went so far as to express the opinion that the journey of Prince Henry of Prussia, the Kaiser's brother, to South America, was a protest on the part of the Kaiser against the Monroe Doctrine, and that he was thereby showing that he did not feel himself bound by it, nevertheless the people of Germany treat such a groundless statement with the contempt it deserves.

The chief difficulty the European experiences in interpreting the doctrine lies in the fact that he unconsciously judges American conditions and affairs by European standards. It would require a conscious effort for the people of a continent whose political sense and feeling are at present influenced by an incessant rivalry for colonial expansion, to conceive that a state may have any other political ideal; that its ambition may not necessarily strive for increase of power by colonial acquisitions.²

That the United States, until now, has not shared such ambi-

² Not to be confused with the tendency always alive in the United States to extend the existing boundaries at the cost of its neighbors. See my book, noted above, p. 339.

tions is proved by the history of her foreign policy. This policy furnishes an almost unbroken line of examples to sustain such a contention, with the single exception of the wave of imperialism directed toward colonial expansion which arose at the time of the war with Spain, but which quickly subsided. It is impossible to understand American foreign policy, and with it the Monroe Doctrine, without thoroughly considering this difference between the political ideals of Europe and the United States—a difference which, at present, undoubtedly exists.

On the other hand, I may venture to say that the feeling in Europe towards the Monroe Doctrine is slowly changing. It is true, one sometimes reads, even now, heated arguments against this doctrine, in which, unfortunately, is often quoted that remark made by Bismarck when he called the Monroe Doctrine "an international impertinence." But such arguments seem to become less frequent, and, on the whole, the number of sensible and more reasonable critics, who consider the merits as well as the weaknesses of the Monroe Doctrine, steadily increases. A convincing appeal may be made to the teachings of history. They refute the hitherto generally accepted argument raised against the doctrine, that its purpose was to give to the United States a monopoly of political expansion on the American continent. In fact, not one instance can be proved in which the United States has added territory in America under the protection of the Monroe Doctrine. What she has done again and again, acting on this principle, is to prevent the over-sea expansion of any non-American state.

Of particular interest is the change of public opinion in Europe in another direction. Formerly discussion was chiefly centered on question of the justification, or rather the lack of justification, for the existence of the doctrine. This question has now been relegated to the background by two others. One is whether the United States can and will maintain the Monroe Doctrine, or whether, in the course of time this principle will turn against the country which formulated it and become a burden. The second question involves the duty of the United States, resulting from the doctrine, to provide for peace and order in Central and South America, and a reasonable protection for non-American interests. Events in Mexico, prior to the recent active measures on the part of the United States, chiefly the murder of the British subject Benton, have given a number of

European newspapers the opportunity to remind the United States of her duty—to play the rôle of American policeman—a duty which ex-President Roosevelt, in particular, repeatedly emphasized as a corollary to the Monroe Doctrine.³ When, however, the United States interfered in Mexico most of those newspapers had, unfortunately, already forgotten their former admonition.

It is clear that Europeans, becoming more and more reconciled to the Monroe Doctrine, accept it as an existing fact and begin to discuss its consequences.

The above refers only to the old style Monroe Doctrine, to the doctrine which wants to prevent the increase of political power of non-American States in America, and which may be styled the political Monroe Doctrine. The affair takes a different aspect when we consider that new tendency to extend the doctrine into a prevention or limitation of the purely economic activity of non-American States, or their citizens, in America.

But one cannot say that the Monroe Doctrine has actually developed in this direction, although such a development would not be inconsistent with its character. Its transformation into a "commercial Monroe Doctrine" is relatively easy, and signs are not wanting that it already tends toward a development in this direction.⁴ Recall the last stage of the Panama Canal affair, and recall more especially the Magdalena Bay incident.⁵ It is clear that such a claim as "America for the Americans, economically as well as politically" would meet with an opposition and attack far more violent than any which the political Monroe Doctrine has ever aroused. It is probable that these attacks would come not only from the non-American camp, but also from American and even from the United States itself.

³ Compare his words in the annual message of December 6, 1904. "The adherence of the United States to the Monroe Doctrine may force the United States, however reluctantly, in flagrant cases of such wrong-doing or impotence, to the exercise of an international police power."

⁴ One is reminded of Jefferson, who wrote to Governor Claiborne on October 29, 1808: "We shall be well satisfied to see Cuba and Mexico remain in their present dependence; but very unwilling to see them in that of either France or England, politically or commercially. We consider their interests and ours are the same and that the object of both must be to exclude all European influence from this hemisphere." (*Moore's Digest*, vi, 371).

⁵ For further particulars on this point which forbids of enlargement here, see my book, noted above, pp. 217-230.

It is difficult to formulate a decided opinion as to the attitude of European diplomacy toward the Monroe Doctrine. Available material, necessary for that purpose, is lacking. One fact, however, is certain, viz., the Monroe Doctrine, to the present time, has not been expressly recognized as a rule of *international law* by any country.

The question as to whether it has been internationally recognized as a *political principle* of the United States is of no great importance. Since it is, in fact, a political principle of the United States which has been in practice for almost a century, such a recognition would be only the acknowledgment of an existing fact, and as such would have no real significance. It is of much greater importance to note that the other states evidently reckon with the doctrine as a factor which must be taken into consideration.

The last instance in which a European state questioned the validity of the Monroe Doctrine was the controversy between England and the United States as to the boundary between Venezuela and British Guiana, commonly known as the "Venezuelan boundary dispute." In the settlement of this dispute the United States won its most brilliant diplomatic victory for the doctrine. The victory was so complete that the affair has repeatedly given occasion for the assertion that England, by her attitude, actually recognized the Monroe Doctrine as a principle of international law.

Since the time of the Venezuelan boundary dispute there has been only one dubious example of a disregard for the great American doctrine—the Magdalena Bay incident with Japan in 1912. Even here the Japanese government did not contend that the Monroe Doctrine could not hinder the acquisition by a Japanese syndicate of a concession of land from Mexico in lower California, to which the United States objected, but simply denied that such a transaction was being carried out.

The case of the Venezuelan debts of 1901–1904 gave the German government occasion for the celebrated declaration "that under no circumstances do we consider in our proceedings the acquisition or the permanent occupation of Venezuelan territory,"⁶ a declaration which some, incorrectly, have construed as a recognition of the Monroe Doctrine by that government.

It is even reported that during the recent Mexican troubles some

⁶ Prememoria of the Imperial German Embassy at Washington, December 11, 1901. (Moore's *Digest*, vi, 588)

European governments have directly applied to the United States to act as intermediary in seeking redress for the injustice which their subjects have suffered in Mexico (consider in this connection the Benton case). Should these reports prove true it would be such a perfect acquiescence in the doctrine, of the governments concerned, that the jurist would have to consider seriously the question: Have not these powers actually conceded such a position to the United States on the American continent, that she is entitled to the general observance of the principle that the Monroe Doctrine proclaims?

In conclusion, it is evident and most important, in my opinion, that nations should make every effort to get an impartial and unprejudiced knowledge of their mutual standpoints and respective aims before they criticize one another's actions.

THE MEANING OF THE MONROE DOCTRINE

BY CHARLES M. PEPPER,
Washington, D. C.

When we began to discuss the Monroe Doctrine I was reminded of the definition which a famous English jurist gave of metaphysics. He said, "metaphysics is two men in a dark room hunting for a black hat which is not there." We have not had any dark room. We have had plenty of light, but when we started out perhaps a good many of us felt we were hunting for a black hat which is not here. But whatever the Monroe Doctrine may be I think before we are through we will succeed in finding it out.

I have noticed the general trend of the discussion is along two lines: First, as to the Latin-American view; and second, as to, not the European view, because Europe never has views, but as to the European attitude regarding the Monroe Doctrine. I confess myself to a great deal of enlightenment on both points.

The general tendency, as reflected by the papers of Mr. Barrett and others, is not to agree with college professors in other cities that the Monroe Doctrine is obsolete. There is nothing more to say there, but I think there is an idea that in some way it is to be superseded by what Mr. Barrett called the doctrine of Pan-American comity, or some general term such as that. We all appreciate what Mr. Barrett has done towards producing Pan-American comity, but as Mr. Barrett said, there is one difficulty in the way. Our Latin-American friends hate to be patronized. We owe a great deal to him and to ex-Minister Sherrill and to Professor Rowe and others for the work they have done in the last few years in educating our people about Latin America. When we come to the Latin-American view it is set forth very clearly, indeed, in Mr. Grahame's paper, especially in reference to Argentina.

The common notion seems to be that if the Monroe Doctrine is superseded, it will be replaced by what is called the A B C doctrine, an alliance of certain large countries in South America, who, in coöperation with the United States, will work for peace there. We all want peace in Latin America and hope it may be gained by work-

ing together. By the A B C doctrine is meant the alliance of Argentina, Brazil and Chile. This has one drawback. Other Latin-American countries are very jealous of their territorial integrity and of their independence. It may not be an independence, it may not be a sovereignty, such as Mr. Low's country after a thousand years' practice has attained through self-government, but they prize it. There is jealousy of the United States, which I regret to say is cultivated for commercial reasons by our European friends, and is one of the reasons why we hear frequently of an Anglo-German alliance advocated in South America.

Yet the South American countries, with a few exceptions among those bordering the Caribbean, are not afraid of territorial absorption or land grabbing by the United States. A year ago a young Argentine poet was in the United States, talking against what he called "Yankee imperialism." He also went to every important Central and South American country and delivered his address there. In Bolivia he was listened to very respectfully but the leading newspaper of La Paz stated that Bolivia needed not to guard against Yankee imperialism but against the imperialism from the south, from its own neighbors.

I have always got along very well with my Latin-American friends by talking plainly. We should be sympathetic with them, as the saying is, but we must look at South America as a whole. Knowing the conditions there we note the constant fear in some countries of absorption by their neighbors. When we come to discuss the Monroe Doctrine historically and view our diplomatic relations and the diplomatic correspondence in the files of the state department, we find numerous instances in which the smaller countries of Latin America have appealed to the United States against the aggression of the larger ones and our good offices have always been exercised, and exercised successfully, in their behalf. But a new doctrine of comity based on the theory that the United States and three South American governments could regulate the rest of this hemisphere would cause much more ill-feeling than now exists. We should work harmoniously, should work with these stronger countries of South America, and should encourage them in what they are doing and depend on them to extend their influence, but I think we can dismiss the idea that the Monroe Doctrine can be superseded by any A B C doctrine.

One reason for this growing restiveness concerning the Monroe Doctrine in South American countries is perhaps the self-consciousness of some of those countries. All countries in their day have had the big head. We had it some years back when we boasted of our national greatness as the result largely of a material growth. Canada had it, and had it quite recently, on account of her growth. Some of our Latin-American friends who are growing very rapidly have got the same feeling now. I do not say it in the offensive sense, but it is an enlarged idea of national consciousness. It is a proper conception of their own power and their own influence. That is one reason that we find so many vigorous objections to the Monroe Doctrine now coming from two or three of these countries, but it seems to me they go to too great a length. Most of you have received a circular letter sent out recently by Dr. Zeballos, who was formerly the minister of foreign affairs in Argentina, and who delivered the address of welcome to ex-President Roosevelt at the convocation of the University of Buenos Ayres. He set forth what he claimed was the Argentine view, henceforth to be known as the Zeballos-Roosevelt protocol, and predicted it would supersede the Monroe Doctrine. Now eminent as any individual may be, eminent even as Dr. Zeballos and Mr. Roosevelt are, I do not think they can undertake to supersede the Monroe Doctrine by a protocol between themselves.

In connection with the Argentina view just one more thought comes to me. The vast British investments there undoubtedly give Great Britain a tremendous influence, but she is not going to war on account of those investments. They are safe. Yet there might be another cause. Argentina today does not recognize British sovereignty anywhere in the South Atlantic. The Falkland Islands have been under the British flag for more than half a century, but the Argentine Republic does not recognize that there is such a government as Great Britain there. Now we can conceive that England for some purpose or other might insist on Argentina's recognizing her sovereignty in the Falkland Islands. Suppose she should send her fleet down there. I am not quite so sure that Argentina would not then look to the United States, would not invoke the Monroe Doctrine in some form. Ordinarily it is not wise to put out strained hypotheses, but sometimes they enable us to understand possible situations.

Another reason why we cannot depend too much upon the most

powerful Latin-American countries to render the Monroe Doctrine unnecessary—and I say it with great respect for what they have done—is because they are yet in the process of evolution. We give them credit for what they are doing for republican institutions but we cannot affirm that all of them have passed the first stages of growth. The other day we read dispatches saying Brazil is liable to have a serious revolution in half a dozen states. These states are as a rope of sand holding the nation together. Those of us who know how little power the general government possesses understand that Brazil has yet great problems before her. It is not improbable that in working out these problems there will be periods of internal disorder and unrest. There have been periods not so very far distant when Germany was threatening to send a fleet to Brazil and she was most offensive in her attitude.

Another point occurs to me. It is no longer possible that internal conditions will prevail in the United States such that a European power would find us unable to enforce our construction of the Monroe Doctrine. But when we review some of the chapters of American history during the Civil War when we had our hands full at home, these reveal that Europe was not then considerate. That was the period when the French invaded Mexico to set Maximilian on a throne. It was an invasion. It was the period when Spain was hoping to resume authority in Santo Domingo. It was the period when the French government under Napoleon the Third negotiated with the Ecuadorian government for a French protectorate over Ecuador. We have more than gathered strength since that Civil War. We will never have a civil war again, God please, but in our relations with foreign nations we are not so sure that war never will occur. We cannot be sure that between now and let us say 2014, we may not have complications with some foreign nation, and are we quite sure then no European countries would take advantage of that situation to establish themselves in South America? We have no question as to what the ultimate result would be, but the possibility is one of the reasons that make me doubt whether it is wise to abolish the Monroe Doctrine.

You all know about the Galapagos Islands off Ecuador. We do not need to lease them ourselves since the Panama Canal is built and we are established off Panama Bay. We do not need them, but it is quite conceivable that if we were in difficulties—I will not

mention Asia, because it is a live wire like Mexico—but if we were in difficulties, I will say with Denmark, some Asiatic power or some European power might want to take the Galapagos Islands. I have not a question then that the American people would say it was a violation of the Monroe Doctrine, and they would also define the doctrine.

I have just a word in regard to the European attitude, which I have formed from the interesting paper of Mr. Low. I have listened to his instructive address with a great deal of interest, yet after all it occurs to me that there may be such a thing as ignorance in Europe about the Monroe Doctrine—historical ignorance. I was recently in South America where our English friends are so well established that if you want a stenographer you have to go to some English firm for some young Englishman to take your dictation. I had occasion to write a good deal about this Monroe Doctrine, to refer to it in dictating letters, and my friend's fellow countryman wrote it "Munro Doctrine." Now that is a trifling historical error, but it has frequently occurred to me that perhaps after all the great English public does not know as much about the Monroe Doctrine as it ought to know. I perceive one difficulty in the attitude of Europe toward Latin America. The repudiation of debts in the Latin-American states undoubtedly has been a shame, a disgrace to them, but there has been very great improvement in the last few years. My recollection is that the last Hague Conference found a formula on that subject following Dr. Drago's suggestions first laid down in the Argentine note to the United States at the time of the Venezuela blockade. But here comes a question—the European attitude is that they should have the right to go in and by force collect a just debt. That is it, isn't it?

MR. LOW: Yes.

MR. PEPPER: Now if Europe has the right to go in by force to any Latin-American country and collect a just debt—and, of course, to the creditor a debt is always just—that one hundred million debt of Honduras to those English creditors is always just—then they have the right to go into other countries. The newspapers recently published the protest of the British bondholders committee against seven states of the United States which were charged with repudiating their debts. If the Monroe Doctrine is no bar to Great Britain's collecting debts in Latin America by force what is the position with

regard to the United States? If she has the right to enforce debt collection in Latin America by gunboats what could we say, what objection could we make if the British fleet appeared off North Carolina, Florida or Georgia and asked for payment of debts alleged to have been repudiated by those states?

In spite of the scandals of the past in the repudiation of debts by Latin-American countries, these countries have made very great progress, and I do not believe the matter of debt collection is ever going to be of serious consequence in connection with the Monroe Doctrine. The countries will pay their debts. The Argentine Republic after fifty years paid the loan obtained from its English creditors.

Now we come to the Monroe Doctrine proper. It is indefinite perhaps, but it is to the American people after all a live doctrine. It is a flexible doctrine, it changes and is affected by circumstances, as we have recently had very convincing evidences, but the Monroe Doctrine has held for a hundred years. It is more than a formula. It is a principle for our safety. It represents the aspiration of the whole of the people of the United States in regard to Latin America.

It is for whatever government may be in power, for whatever administration, whatever Congress may be in power, to interpret the doctrine in the light of developments, in the light of circumstances; not to confuse it, as with Mexico, with anarchy at our door, but to interpret it in justice to the American people, with the understanding, with the feeling, that it is to be applied in justice. It represents, as Professor Latané has said, a cardinal principle of American diplomacy that is vital to the American people, and without injustice to Europe, without injustice to any Latin-American country, I have no question that fifty years from now we will still be discussing the Monroe Doctrine as a live doctrine.

THE MONROE DOCTRINE: A SOLUTION OF ITS PROBLEM

BY PHILIP M. BROWN,

Former United States Minister to Honduras.

Since I do not wish to add myself to the category of "doctrinaires," it is with some diffidence that I respond to the request to address you on the topic under discussion. But nevertheless I do respond with a good deal of earnestness for this reason: It was my duty to serve as a diplomatic representative in Central America for a number of years, and to deal with the Monroe Doctrine in its practical operations in peace and in war. I have also witnessed an attempt to experiment with the principle of alliance when the United States endeavored to secure the coöperation of Mexico in dealing with the problems of Central America.

I felt my responsibility very keenly at that time, and I feel it equally so now as a student of international politics residing again in this country. When I left Honduras, I stated to the President that I had come to Honduras as the representative of the United States, but that I left as the representative of Honduras. I particularly feel that responsibility of representing fairly the rights of those countries at this time because of the fact that they are in grave danger from their best friend, the United States. Though we aim to be of disinterested service to them, I believe that their territorial integrity and political independence are in a sense menaced by the mistaken policy we have adopted. At this moment in the little country of Nicaragua, a weak government is being maintained in power by a force of American marines stationed at Managua.

The discussion of the Monroe Doctrine has been extremely illuminating. It has reminded me, however, of what President Taft once said to the newspaper editors gathered at a banquet in New York: "Gentlemen, the truth does not lie in you. It lies between you." With two distinguished newspaper men addressing us, we have this epigram most felicitously illustrated.

It seems to me that this discussion has brought out clearly the following points. First of all it is evident that the Monroe Doctrine is painfully vague, and, as remarked by Mr. Blaine of the hapless

Clayton-Bulwer treaty, "misunderstandingly entered into, imperfectly comprehended, contradictorily interpreted, and mutually vexatious."

Secondly, it is clear that there exists a general apprehension on the part of all Latin America as to the purposes of the United States. When I was serving in Central America, I used to find it extremely difficult to make clear to the people of those countries exactly what we did mean. At that time it was my boast that, except for the impropriety of disclosing certain facts concerning different personalities, the United States need have no fear of revealing all its diplomatic correspondence. I do not believe that there is anything selfish in our policy towards these countries. I believe that it has always been our earnest desire to be of constructive assistance. Yet it must be admitted that "dollar diplomacy" has caused them genuine alarm. Recent interpretations of the Monroe Doctrine implying the right of veto by the United States on the choice of their chief executives, and indicating also a right of control over the granting of foreign concessions—all matters of supreme importance—cannot fail to convey to the Latin-American mind a sinister significance.

Thirdly, this discussion has clearly indicated the necessity of insuring the adequate protection of foreign interests in certain of the countries of Latin America. This has been most effectively and brilliantly brought out in the paper by Mr. Low.

Fourthly, this discussion has revealed that reparation for wrongs and damages carries with it the danger of unjust aggression and even the loss of political independence. And in this connection, I would like to refer to the question raised by Mr. Low in regard to the blockade of Venezuela in 1902. It is possible to view the facts in a somewhat different light than viewed by Mr. Low. As a student of international affairs who has carefully gone over all the records of this case, it seems to me that what occurred in that famous incident was somewhat as follows: England, Germany and Italy had been trying for years to get Venezuela to meet its obligations. (I will not say just obligations, though certainly some of them were of that character.) They had been uniformly unsuccessful and felt compelled to resort to the use of coercive measures. Force was employed, and Venezuela, yielding under tremendous pressure—the pressure of the joint fleet which has been referred to by Mr. Low as more or less innocuous in the eyes of the Venezuelans—was obliged to sign a protocol of arbitra-

tion, the United States having used its good offices as a friendly intermediary. Under that protocol, Venezuela was forced to arbitrate, not the question whether she owed the sums claimed—this she had to concede in principle before England, Germany and Italy would arbitrate—but the question as to whether preference in payment should be given to those creditors who resorted to the use of force, over those who proceeded by peaceful means. The consecration of this vicious principle by the decision of the arbitral tribunal should be deeply lamented by all who believe in international fair play.

Now this very situation in Venezuela to which Mr. Low referred seems to me to emphasize eloquently the necessity of facing squarely this whole question as to the meaning and vitality of the Monroe Doctrine. The adverse criticism to which it has been subjected in recent years, the suggestions that it is dead and useless, all tend to mislead people, and particularly to delude Europe into the belief that the United States will never again intervene to defend a Latin-American state from European aggression. This becomes therefore a most precarious situation, and it seems to me that it is our solemn duty as a result of this discussion to try to reach a definite conclusion as to what the Monroe Doctrine signifies to us.

I realize that this task is difficult but I would ask your permission to allow me to indicate briefly what would seem to be the result, the final residuum of all this discussion, the working hypothesis on which we as a nation may proceed in dealing with the problems of this hemisphere.

First of all, we seem to be agreed that the Monroe Doctrine should be clearly defined; and secondly, that it must be defined in terms that are acceptable to all Latin America.

The Monroe Doctrine can no longer be considered as a peculiar possession of the United States, as purely a matter of state policy. To remove it out of the realm of policy; to obviate the unpleasant suggestion implied in the term doctrine; to avoid also the dangerous complications involved in the idea of alliance; I venture to suggest this possible solution, namely, to place the Monroe Doctrine within the safe sphere of absolute law.

In spite of the dicta of statesmen and international law publicists to the effect that the Monroe Doctrine, like the principle of the balance of power, is not a part of international law, it is not difficult so to define it as to make it a fundamental principle (as Mr. Pepper has very aptly called it), of the law of nations.

The great defect of international law today, as you know, is that it has no sanction; no guarantee of enforcement other than the sanction of public opinion. That is the main thing we are striving for: as effective an enforcement of international law as we have an effective enforcement of municipal law. Now if we will reduce the Monroe Doctrine down to the simplest terms; if we will strip it of all the vagaries of statesmen and commentators, we find in the last analysis that it means nothing more and nothing less than that the United States finds itself pledged to the defence of the rights of every nation to independence, sovereign jurisdiction and equality. These are the most sacred, basic principles of international law; and nothing could be more securely a part of international law than an effective sanction of these principles. Such a sanction is to be found in the Monroe Doctrine, which, interpreted in this light, ceases to be simply a question of policy, and is at once put on the solid basis of law.

It seems to me that we as a nation are fast approaching a situation where it is imperatively necessary that in measured but forceful language we make unmistakably clear to Europe and to all Latin America the vital meaning of the Monroe Doctrine. If Europe lacks any effective sanction to international law; if the smaller states such as the Balkan States are without any other protection than that of their own armies, America will not be remiss on its part. Our high aim should be, at least on this western hemisphere, to protect the smaller states from unjust aggressions by the great. In other words, we should boldly proclaim the Monroe Doctrine to be the great basic principle of international law, namely, the defence of the fundamental rights of sovereignty, independence and equality.

But in the working out of the problems connected with the countries of this hemisphere, it is not enough to enunciate principles. We must also have international agreements as to their practical operation especially in the case of nations seeking redress for just grievances. While no one nation should constitute itself the sole judge of its rights, no nation, on the other hand, should be permitted to escape the fulfillment of its just obligations. The determination of these rights and obligations is properly a function of law. We should, for example, have an agreement of the nations of this hemisphere, if not of the whole world, as to the precise rights of international creditors; as to the circumstances justifying a nation to go into bankruptcy; as to the legal methods permissible for the collection of debts; as to the

rights of foreigners to reparation for torts; as to the rights of foreigners to damages for wrongs committed in times of civil disturbance; and many other such questions which give rise to diplomatic friction, reprisals and even war.

If the other nations of the world, owing to political problems yet unsolved, are unable to undertake yet this great task of creating the law which must eventually supplant war, we in this hemisphere have no excuse if we do not whole-heartedly direct our energies in this direction. We have not only the inspiring opportunity but we have the agencies at hand in the Pan-American Conferences and the Pan-American Union so ably directed by the Honorable John Barrett. Already important steps have been taken in this sense. Jurists of note from the countries of Latin America and the United States are now at work on the drafting of laws on the subjects already indicated; laws which should bring order out of chaos, which should prove as acceptable to Europe as to ourselves, and protect the rights of the weak as well as of the strong.

Now it seems to me that if we can thus effectively take this whole question out of the realm of discussion of policy and of alliance, and place it firmly on the basis of international law, all Latin America will join with us with absolute unanimity and enthusiasm in the mutual defence of this great principle. In this way, without uncertainty or distrust, we can work together in perfect harmony apart from the maelstrom of European politics in order to solve, if we can, the great problems standing in the way of universal peace. In this way we can leave Europe in no unfortunate uncertainty as to the vital significance of the great principle that underlies the famous declaration of President Monroe nearly a century ago.

THE MONROE DOCTRINE AND THE FOREIGN POLICY OF THE UNITED STATES IN THE WESTERN HEMISPHERE

By J. J. SLECHTA, M.A.,

Formerly of the United States Consular Service.

The scope of this article does not admit of a detailed analysis of the varied phases of the Monroe Doctrine as originally enunciated and subsequently developed into a permanent feature of our foreign policy. It is only necessary to remind students of the subject that the predominant motive actuating President Monroe and contemporary statesmen in promulgating this doctrine was one of selfishness—if anxiety for self-preservation may be called selfish.

The dangers which the United States sought to avert by this means were two-fold: First, the acquisition of territory in the western hemisphere by European powers and the consequent peril to the supremacy of the United States in the western world; and second, the overthrow of newly established republics in South America and the resulting loss of prestige to democratic forms of government, of which this country was the champion and which were on trial before the world at large. Naturally enough, altruistic motives were even at that time suggested as explanatory of this nation's newly expounded policy, but a careful study of the literature of the question convinces that any such motive was subordinate to the conviction that the cause of our own democracy would suffer from any further encroachment of Europe on this hemisphere.

The thesis which the writer has chosen to defend may be stated at the outset and is simply this: The Monroe Doctrine should be maintained by the United States substantially in the form in which it was conceived by its originators. In one particular, only, should this be qualified. In view of the unquestioned supremacy now attained by this country and the impossibility of any successful aggression by any foreign power, the spirit of the Monroe Doctrine can best be expressed in negative rather than positive terms.

Instead of the assertion that no European power shall be per-

mitted to acquire additional territory in this hemisphere, the doctrine should embody the proposition that any aggression on the part of a European power, which may be deemed dangerous to the supremacy of the United States in this hemisphere, shall meet with the forcible opposition of this country.

If it is sought to determine what advantages might reasonably be expected to result from such a foreign policy, it is necessary to consider the changed relationship between the United States and other countries of the new world. In the first place, it has long been evident that leading powers of Latin America not only regard themselves as independent of the protection of this country, but actually resent any attitude of protection from the United States. Those who are familiar with the viewpoint of leading South American nations have no doubt that possible aggression from the United States is really very much more feared by most of them than aggression from any European power.

Any foreign policy, therefore, which contemplates anything in the nature of gratuitous protection of powers which want nothing of the sort from us, leaves this country in a wholly anomalous situation. Another objection to what might be called an altruistic foreign policy is that, whenever this country finds itself obliged to bring pressure to bear upon one of its neighbors in order to settle a claim or controversy of its own, a cry of woe goes up from all Latin America, calling attention in the most ironical terms to the supposedly protective feature of the Monroe Doctrine. This is what happened in the Alsop claim settlement with Chili, when the whole Spanish-American press was united in a severe denunciation of the United States. The point of the whole matter is that if the United States follows the interpretation given the Monroe Doctrine for the past sixty years, Latin America takes our protection as a matter of course; expects it, in fact, when it is needed, and disclaims any desire for it when not needed.

The Monroe Doctrine, as originally conceived, would leave Latin America free to work out its own salvation, as it very much wishes to do, and would relieve the United States of any responsibility in connection therewith except in so far as its own destinies might be affected. Then if, in case of unjust aggression from Europe, a Latin-American country should appeal to the United States for assistance, such assistance might be given quite apart from any obli-

gation arising from a fixed policy. In that way only will Latin America recognize this country's foreign policy as genuinely disinterested.

It is the failure of American foreign policy to recognize the fact that disinterested statesmanship is not accepted at its face value in Latin America which constitutes its greatest weakness. An impartial analysis of the causes for this consistent failure at once discloses the underlying weakness in all our international relations with Latin America. Probably John Hay was the only secretary of state this country has ever had who knew how to handle Latin-American questions properly because he was great enough to see every issue from the Latin-American point of view. This great asset of a statesman can come, not merely from a knowledge of history, but from an appreciation of its significance. Only an administrative authority totally destitute of the attributes of an intelligent statesman would choose to disregard the certain effect of a nation's antecedents and of the character of its people upon their method of thought in shaping a foreign policy. Few and far between have been the American statesmen who possessed in a high degree the ability to gain from an intelligent retrospect of a country's antecedents a perspective which should enable them to determine a foreign policy based upon strong future probabilities and not upon utter impossible eventualities. The holiest and best of intentions are trash without such an understanding of the significance of history and national character.

Nothing could more clearly demonstrate the need of such farsightedness than the blundering policy of this country in the Mexican situation. We deal with an unfortunate neighbor whose only political heritage has been that of centuries of oligarchy and autocracy. For a century and a quarter the Mexican people have had the benefit of close contact with a free people, governed under a democracy. The ignorance of the masses and the cupidity of the governing classes have made it impossible that precept alone should lead to the establishment of genuine constitutional government in Mexico. This nation cannot reasonably hope, therefore, to create a real democracy in that country by stipulating some condition or change in a contemporaneous régime, which in itself is the product of a nation's heritage.

Another distinct advantage to be gained from such a restriction of the Monroe Doctrine as indicated in the foregoing may also be

illustrated by reference to a feature of the current Mexican trouble. There can be no reasonable doubt that the interests of peace in Mexico could have been served best by the joint intervention of European countries and the United States. The present interpretation placed upon the Monroe Doctrine has made this seem inexpedient. There has been much misconception on this point, indicated by the apparent belief that such a course involved some danger to this country's foreign policy. It does not seem to have occurred to our statesmen that this may be very good evidence that there is something wrong with our foreign policy.

Citizens of Great Britain, France, Germany, Spain and Italy have interests at stake in Mexico at least commensurate with those of American citizens. There is every reason to believe that such interests were acquired quite as legitimately as were ours. Those countries should share with the United States the responsibility of securing protection for such interests. A joint treaty between these six countries embodying an agreement on the part of each to share financial and other responsibility and an obligation to refrain from accepting any indemnity in territory or funds in any eventuality would cause a light to break over Mexico such as can be supplied in no other way. This country can have no reason to doubt the absolute good faith in which European powers would participate in such an agreement.

The present policy is essentially that of a "dog in the manger." We cannot settle Mexico's troubles ourselves and we foolishly fear to ask those equally interested in peace there to help us effectively. It matters not what solution of the question comes from the present denouement, anarchy and chaos must return to Mexico under any circumstances to be determined by the United States alone, short of absolute conquest. The elimination of any one political despot is temporization, which can bring Mexico not one step nearer civilization, since it removes an effect and not the cause of that country's misfortune. The result, on the other hand, of European representation, jointly undertaken with the United States, would be so to overwhelm public opinion in Mexico as to force the few disinterested leaders to the fore and so bring about at least the beginning of a new era in Mexico. It is highly probable that such intervention would take the form of an international police for Mexico, to enforce the proper observance of constitutional provisions for free government.

But whatever might be the form of actual intervention, there can be no doubt that only in the hands of powerful European nations acting in concert with the United States can intervention become a wholly effective instrument, without involving loss of life or property to any considerable extent.

The United States has constantly faced the danger of serious international complications arising from the implied obligation which exists under the present form of the Monroe Doctrine. We do not concede to European powers the right to protect their nationals in Latin America, because such a course might endanger the continued application of more or less vague principles of that doctrine. We must, therefore, assume the responsibility of affording protection not only to our own nationals and to their property, but to the nationals of all European countries. The farcical manner in which even American citizens have been given protection to which they are entitled under the circumstances prevailing in Mexico indicates in a measure how absurd it is for this country to continue the voluntary assumption of this wholly unnecessary and dangerous burden. Far more critical situations may at any time result from such an assumption than could conceivably arise from an abandonment of this pernicious feature of our foreign policy.

There can be no manner of doubt that the policy followed by the United States in its application of the Monroe Doctrine to Spanish-American countries has served rather to estrange our neighbors than to make them our friends. In some countries on the west coast of South America there is a sentiment approving a kind of passive American paternalism, but only because the South American hegemony is feared more than aggression from the United States. This hegemony is a phase of international relations which has as yet been completely disregarded in this country's foreign policy. Chili and the Argentine Republic wish above everything else to eliminate the United States as a factor in South American international affairs. Brazil, for her own protection and more or less against her policy, is forced to participate in a sort of gentleman's agreement, which has become, in fact, the A B C hegemony of South America.

Argentina and Chili are both most vociferous in their objection to any form of Pan-American political union, believing that this means domination, in one form or another, by the United States.

They fear nothing from Europe, so if undisturbed by the United States, they could quickly dominate the west coast countries.

The Monroe Doctrine should not interfere with such ambitions, any more than it should prevent this country from settling with quick despatch any trouble it may have in South America. Should such a policy of *laissez faire* result in attempts of a stronger country to oppress the people of weaker nations, there could be no possible objection to the same kind of intervention which is proposed above as the proper solution of Mexican troubles.

The great nations of the world, with their advancement in civilization, their high standards of education and of what constitutes free government, owe much to the weaker nations of the western hemisphere. Their nationals have invested capital there with profit to themselves and their respective nations. Industrial and commercial conquest has taken the place of conquest of territory. The least that these nations can do in return is to unite in an effort to guarantee to the people of less advanced nations an opportunity to work out in peace their own problems looking to the establishment of governments, liberal in fact, and not liberal merely on paper.

The Monroe Doctrine, as originally conceived, although selfish in its specific intentions, was nevertheless calculated to assure the attainment of this very purpose. Its various interpretations have since modified it so radically that under existing circumstances it not only fails to do what is expected of it, but it serves as a serious obstacle to the employment of other means which can reasonably be expected to bring about a satisfactory solution of the problem.

(The author desires to state that this paper was submitted for publication May 14, 1914.)

COMMUNICATIONS

THE MONROE DOCTRINE¹

BY PROF. ACHILLE LORIA,
The University of Turin, Italy.

[*Translation*]

The pressure of other duties together with the short time within which it was necessary to send you a reply have made it impossible for me to respond to your invitation as fully as I should have desired. I must, therefore, confine myself to a few observations.

As I view the situation, the Monroe Doctrine possesses a significance which is exclusively historical. It is the product and the expression of that period in the history of American trade in which even those portions of the American continent which had acquired political independence found themselves in a condition of economic dependence with reference to the countries of Europe; a condition of dependence which manifested itself in a vexatious interference on the part of European states in the affairs of the newly born republics. Against this form of interference the Monroe Doctrine represents a protest, and within these limits one must recognize its justification.

Today, however, after the American continent has been emancipated from every trace of the suzerainty of the Old World, and is free from every form of intervention on the part of European countries, the Monroe Doctrine is hardly more than a diplomatic pleonasm, or the useless repetition of a truism. Furthermore, the Monroe Doctrine now finds itself included in a larger principle, namely, that a state does not possess the right to submit its affairs to the control of another state, a doctrine which is universally recognized, and which is applicable to American as well as to European affairs. If there have been some violations of this rule, it is to be hoped that such violations will soon disappear.

It is necessary, however, to bear in mind that a new series of relations which have acquired great importance in our times may be the cause of seriously undermining the principle above formulated. I refer to the conditions created by international credit. The states which owe large sums to foreigners find themselves, whenever the payment of interest on such bonded debt is for any reason delayed, exposed to the intervention of the creditor states. This intervention usually begins by the appointment of a mixed commission, but often ends by actual political intervention. If the republics of Central America persist in the policy of a wasteful use of their natural resources, and at the same time con-

¹This communication was in the form of a letter to the President of the Academy.

tinue increasing their foreign indebtedness, it is altogether likely that their political independence will be seriously undermined. This was clearly seen by President Roosevelt, who in several of his messages stated that the United States would strenuously oppose any attempt on the part of European powers to control the political destinies of American states.

If the Monroe Doctrine leads to these consequences, there is no doubt that it will profoundly modify the conditions under which American states will be able to borrow money in European countries. The bankers of Europe will not be willing to float loans for American states if they find it impossible to use against such states the recognized means for compelling payment of principal and interest, or if they do agree to loan money it will be at an exceedingly high rate of interest and under most onerous conditions. In other words, for these countries the enforcement of the Monroe Doctrine means a raising of the rate of interest on their loans and an increase in other financial charges.

In a word, under modern conditions, the Monroe Doctrine is but a part of a larger principle generally recognized, at least in theory, and on this account it has no reason for independent existence. The doctrine possesses no importance except under very exceptional conditions, as when an American state contracts a large indebtedness in European countries and fails to meet its financial obligations. If, however, the Monroe Doctrine is to be applied under these circumstances the debtor states will have to bear the burden through the raising of the rate of interest at which they will be able to borrow. In other words, the Monroe Doctrine is only of practical value for those states that are willing to bear the burdens which its application involves.

THE MONROE DOCTRINE¹

BY PROF. A. PILLET,

The Faculty of Law of the University of Paris.

[*Translation*]

In asking me to present my views on the Monroe Doctrine to the American Academy of Political and Social Science you are doing me an undeserved honor, and one to which I may not be able fully to respond.

What can I say that may be of interest? Many years ago, when I was a much younger man than I am today, I was inclined to consider the principles proclaimed by President Monroe as an encroachment upon the rights of independent nations. It seemed to me that on the vast checker-board of world politics each state should be permitted a free hand in the assertion of its rights, and that in such assertion it should not be hampered by any outside power. The right of every nation freely to determine the conduct of its own affairs seemed to me to be the corollary to national independence and sovereignty.

¹ *Ibid.*

Subsequent experience has modified my views on this point. I no longer believe in the doctrine of the complete independence of states in their international relations. I have, furthermore, lost faith in the efficacy of abstract principles of international law, or, to express myself more correctly, I believe that if international law is to preserve its influence, it must be exceedingly modest, avoiding the formulation of principles which are far removed from fact, and becoming more and more empirical rather than dogmatic.

These changes in my mental attitude have led me to discover in the Monroe Doctrine certain merits or advantages which I had not before appreciated. America is situated at a great distance from Europe. The interests common to both continents are numerous and important, and it is also well to bear in mind that there is a distinct danger that the conflicts between the two continents will be long and serious. Any practical means of assuring a prompt and satisfactory solution of pending questions carries with it its own justification. Viewed from this standpoint the Monroe Doctrine deserves approval. In the first place, it is a principle that makes for peace and, as such, it may occupy an honorable place in the public law of nations. I am far from being a pacifist, I am even inclined to consider pacifism as one of the vital errors of our times. I am, nevertheless, a strong advocate of peace and, therefore, ready to approve any plan which will avoid the curse of war.

It is clear that the right which under the Monroe Doctrine the United States arrogates to itself to interpose in the quarrels between European and American states may, if discreetly used, be the means of avoiding war, at least in the majority of cases.

It is interesting to note that, although the Monroe Doctrine had its origin in a declaration sustaining the principle of non-intervention, it has led the United States to assert a right of intervention in a series of instances. Nevertheless, the practice of intervention to which the Monroe Doctrine has led the United States may serve to place the political morality of the less advanced American states on a higher plane, and at the same time awaken in them an appreciation of international responsibility. This result, however, can only be secured on one condition, namely, that the Monroe Doctrine be honestly and loyally enforced, not in a spirit of imperialism on the part of the United States, but rather as a means of guaranteeing the liberty of action of the less powerful American states.

It is clear that the Monroe Doctrine makes the United States the protector, and to a certain extent the master (we must not fear to use correct terms) of the republics of North and Central America. This situation involves numerous duties. It means, in the first place, that the United States must require from the states under her control the strict observance of international obligations. The pretention of President Monroe to regard as unfriendly to the United States any attempt to control the destinies of an American state can only be justified if the United States becomes, as it were, the guarantor of the observance of international obligations by the states of North and Central America. If an attack on the independence of a state is to be condemned, it must be borne in mind that such an attack may be the only recourse of a state whose rights have been trampled upon.

The United States should refrain from giving the support of her recognition to a so-called American international law, which only differs from the European system in that it attempts to give to the New World privileges heretofore unknown. International law is either the law of all nations or it is entirely non-existent.

Finally, I venture to hope that the policy of the United States will be exceedingly discreet with reference to everything that concerns the Old World. It is one of the compensations for the existence and recognition of the Monroe Doctrine. President Monroe understood it in this spirit, but the policy of the United States has undergone many changes since that time, and it would seem that the promises made by him have not always been completely fulfilled. It may happen that the constant interposition of the United States, in matters so far removed that they cannot in any way affect the immediate interests of the United States will be interpreted as an unfortunate tendency to assert hegemony on the American Continent. When applied beyond its normal limits the Monroe Doctrine cannot be sustained except by the superior physical power of the United States, and one cannot always be certain of possessing such superior force. It is far better that the Monroe Doctrine should maintain itself by the services which it can render either to Europe or to America.

It was my intention never to write a word on the Monroe Doctrine, but your cordial invitation led me to depart from this determination. If, therefore, these few lines seem naive or inadequate you must place the blame on yourself. I would never have had the audacity to write on this subject, of which I know so little.

THE POLICY OF THE UNITED STATES TOWARD MEXICO¹

BY WILLARD SAULSBURY,
United States Senator from Delaware.

When Dr. Rowe, the president of this Academy, honored me with an invitation to preside at this session, he was kind enough to say that an acceptance involved no obligation to make an address or to take part in the discussion of the subjects to be dealt with at this meeting. I can assure you that a statement of that kind, coming with such an invitation, adds greatly to one's pleasure in accepting, and realizing that the gentlemen who will speak to you all know so very much more of the Mexican situation, its problems and obligations, than I do, I gladly content myself with the briefest reference to what we all know officially and for publication on that grave subject.

Every patriotic American recognizes that when we come into the field of foreign politics and our interests become involved in the affairs of other nations of the earth, questions of politics in the narrower sense are forgotten, that we cease to be democrats and republicans and are simply Americans. Partisanship in this country, we all feel, does stop and should stop at the seashore.

In the case of the unfortunate and distracted country to the south of us, our political differences stop at the Rio Grande. It may not be improper for me to refer briefly to our official attitude toward Mexico and to the proclamations of President Taft and President Wilson defining the duties of our own citizens toward that unhappy republic. We know in a general way how the long rule of President Diaz ended and how Madero succeeded to the presidency, but it may be well for me to call your attention to the fact that during the term of President Taft and while Madero was in power in Mexico, Congress, learning that other revolutions were preparing in that country, and that the shipment of arms and munitions of war promoted domestic violence there, passed a joint resolution authorizing the President, finding such conditions to exist, to proclaim it unlawful to export arms from the United States to that country. On the same day the resolution was

¹Remarks as presiding officer of the session of the Academy, Friday evening, April 3, 1914.

passed by Congress, President Taft, declaring that conditions of domestic violence were being promoted by the use of arms or munitions of war sent from the United States, admonished all our citizens to abstain from violating the provisions of that resolution.

The death of Madero followed, then came the message of President Wilson, strongly adverse to General Huerta, and subsequently, the disorders continuing with no prospect of an early settlement, other nations being engaged in furnishing both sides to the quarrel with means of warfare, the President on the 4th day of February last, finding that there had been an essential change in the conditions under which President Taft's proclamation had been issued, revoked the same and placed the United States in the same position as other powers with reference to the exportation of arms and munitions of war to Mexico.

That is the position in which we stand today, and the President in revoking this prior proclamation, declared that there was at the time no constitutional government in Mexico and that the existence of the prior order under the changed conditions hindered and delayed "the very thing the government of the United States is now insisting upon, namely, that Mexico shall be left free to settle her own affairs and as soon as possible put them upon a constitutional footing by her own force and counsel."

Thus it will be seen our government has assumed its present position with the expressed desire and hope that our neighbors, embroiled in civil war, may by their own force and counsel and without interference, certainly without intervention, unless our own interest shall be endangered, or our great national policy threatened by an unfriendly act, settle as best they may their internal affairs, preventing our people, so far as possible, from entangling this government therein by advising them to remove themselves from the scene of conflict.

I believe that the action of both administrations, that of President Taft and of President Wilson, in restraining our citizens from taking part in the Mexican conflict and preventing the lives of our own people from being endangered, certainly in refraining from any active intervention in that country, meets the approval of all our people. The horrors, the sufferings, the losses of war are too great to be incurred by any people, if avoidable with honor, and this great American nation can well set an example to all the world of refraining to the last possible moment from engaging in wars, invasions and bloody controversy.

THE POSTULATES OF THE MEXICAN SITUATION

BY ALBERT BUSHNELL HART, LL.D.,

Professor of Government, Harvard University.

Three years have now passed since the common people of the United States became aware that a volcanic eruption was threatened on the southwest border. At first there was only a little steam in northern Mexico, a gentle earth tremor, which slightly jarred the Diaz administration; then more violent shocks; then a crash and an explosion which blew the whole Diaz government into Kingdom—Cone. After a short period of quietude came another shower of hail-stones and coals of fire, and the Madero government went up in smoke. Ever since that time red hot lava has been pouring out from the craters of Juarez and Chihuahua; and the whole land is covered with smoke and fury. Such a calamity falls alike on the evil and the good. The lives and property of foreigners are not respected by these elemental forces.

Is there no protection, no help, no aid? On the slopes of Aetna the peasants build enormous stone walls to deflect the lava streams. Why not try that method in Mexico? Of what use are such venerable institutions as the administration in Washington, the state department, the *North American Review*, and the American Academy of Political and Social Science, if ashes and scoriae devastate our mines and fields in Mexico? Do something! Get busy! Notify somebody! Stop the volcano from such disgraceful behavior! Send a warship to tell it to be good! Pepper it with machine guns! Let loose the Texan Rangers! Among these shouts the chorus of "Recognize Huerta!" has gradually drowned out the rest. It rises like the war cry of "We want Teddy," as it roars through a Progressive convention. "Recognize Huerta!" "Recognize Huerta!" Colonel Harvey waves his arms and wiggle-waggles his shoulders in the finest cheer master style as he shouts: "Now fellows, all altogether, one, two, three, Recognize Huerta! Recognize Huerta! Recognize Huerta! Tii'ger."

No one can deny or would minimize the present dreadful state of Mexico, or the suffering alike of native Mexicans, European foreigners and citizens of the United States. The trouble is that revo-

lution, civil war, battle, pillage, destruction and murder, are not abnormal in Mexico, but appear to be ordinary conditions of that unhappy land, for which no known remedy has ever been found, though they have sought it with tears. The era of Mexican Revolution began in 1810 and in the hundred and four years since that time the land has seen no more than forty years of internal peace; while not less than twenty-five dictators have galloped across the political stage, each brandishing his sword and crying "Recognize me!" as he disappeared in the wings.

As Admiral Chadwick pointed out in his admirable paper, the fundamental trouble in all the Latin-American countries, and particularly in Mexico, seems to be that the population is substantially of native American origin. So far as can be learned, six to eight millions of the fifteen million Mexicans are unmixed native Indians. Six or seven millions are of mixed race and not more than one million are of unmixed European race. The deduction is simple, namely, that Mexico cannot be classed among nations derived from European stock and infused with European traditions. The presumption is that such a population has not acquired the coolness and political reasonableness which are the basis of modern civilized governments.

The common people of the United States are undoubtedly confused upon this issue because of the supposed success of the thirty-two years of the dominion of Diaz, from 1879 to 1911. He succeeded in deluding his own people, foreign nations and even himself into the belief that Mexico had become so tame that it would eat out of his hand. Diaz maintained his government by two strokes of genius. The first was the enlistment of brigands and other uneasy persons into the corps of "Rurales," or national mounted police. The second was the systematic encouragement of railroads which could carry his troops to scenes of revolt. But anybody who chooses may satisfy himself that Diaz for years remained in power only by the despot's favorite method of closing the mouths of those who criticize the government. Important men were banished or reduced to impotence; the less significant went to prison; and a good many literally went to the wall. Listen to the comment recently quoted with approval by the Mexican newspaper *El Dictamen*, "Under the liberal tyranny of Don Porforio Diaz the wealth and culture of the ruling class of scarcely a million and a half of people increased rapidly, but the

great mass of the community continued to live in the same abject misery."

The world heard much of the enlightened policy of Diaz, but what are the evidences? What did he do to relieve his countrymen from the dreadful curse of peonage which has practically set Mexico very close to slavery? How many boys and girls did his so-called system of popular education teach to read and write? How many communities were allowed even the rudiments of self government? What efforts did he make to break up the crushing system of immense landed estates? How far did he conserve the resources of his country against unfavorable contracts and concessions? What is the size of the fortune which he accumulated as a reward for his immense dignities and powers? The real proof of the hollowness of the régime of this strong man is that though he had behind him the government, the army, the sympathy of foreign powers, and the prestige of thirty-two years of success, his empire crumbled beneath him at last.

The American public does not deny to its neighbors the sacred right of having dictators if they want them; but it is hard to convince the people of this country that dictators self-appointed, backed up by paid armies, and dependent for support upon brute force, can furnish a really good government. Diaz has the same justification as Hiero of Syracuse, or Xerxes of Persia, or Ivan the Terrible of Russia, but no such despotism can ever keep alive without murder, for the despot is a vampire who must always have fresh blood. A few months ago I inquired of a Bulgarian gentleman, who as a boy had lived under the Turkish dispensation, what was his complaint against the Ottoman government. "What was our complaint? That they crushed us to the earth; that whenever a young man arose who might conceivably become the leader of his people, that young man was rooted out." Woe to the country in which the ruler's policy is that of the East Indian monarchs, each of whom as he succeeded to the throne began by putting out the eyes of his younger brothers!

Believing as we Americans do, that the only justification of arbitrary and despotic government is the acquiescence of the people concerned, many of the common people have an instinctive feeling that General Victoriano Huerta, the present self-styled president of Mexico, would not under the most favorable circumstances be likely to endure longer than the one year to three years which has been the term of most of his predecessors.

Colonel Harvey draws a heart-rending picture of the mental sufferings of this provisional constitutional President: "Branded—as an accessory to assassination, deprived of the opportunity to borrow money—cajoled, threatened, cut off from aid whenever possible—remarkable for the consistent dignity, courtesy and consideration exhibited by the old Indian." What is the life history of Victoriano Huerta? Up to 1911 he was a not very conspicuous officer in the army of Diaz, without reputation of any kind beyond the boundaries of his own country. We first heard of him in February, 1913, in the campaign northward to Juarez as a leader of an army of President Madero. Then he used his military authority to depose, imprison and supplant President Madero who had given him his dignity and opportunity. At once he applied for diplomatic recognition, which was accorded by most of the powers of Europe.

The next mark of surpassing greatness was the murder of his former friend and principal. The tale of that transaction as related by this powerful chieftain, is that he sent his predecessor, who was a helpless captive in his hands, from one prison to another at night, with an escort so slender that when the cortege was attacked it was unable to protect its prisoner, and he was consequently shot by his friends. The "strong man" takes refuge from the obvious charge of murder, behind the plea that he was so inept an administrator, and so timorous a commander, that he could not secure the safety of a state prisoner, nor obedience to his orders by his most trusted troops, within a mile of his own palace.

To some minds the proof against Huerta is incomplete; and the title to the presidency rests on an assumed constitutional basis. The facts seem to be as follows: Huerta arrested Madero and the vice-president and declared their offices vacant. Thereupon the minister of foreign affairs constitutionally became president. His term lasted about a quarter of an hour, and his only official acts were to appoint Huerta to a cabinet office and then to resign; whereupon Huerta, as holder of the highest cabinet office, became "provisional president." A few days after Madero's murder he styled himself "provisional but constitutional president."

The next evidence of statesmanship was in October, 1913, when a senator of the Mexican Republic, who unlike Huerta, had gone through the form of an election, was seized by the orders of the head of that state, who was so powerful that he was afraid his government

would be overthrown by a public criticism from a fellow Mexican. Then he imprisoned 110 members of Congress because his policy was so generally approved that he could not allow a single man to stand up in his place and express his mind in opposition.

Even such assassins frequently have the animal attribute of personal belligerency, and the willingness to risk their lives for the defence of their rule; Santa Anna, one of the most slippery and contemptible of all Mexican tyrants, commanded two armies which measured swords with the American forces. But where has General Huerta been during the fierce campaigns of the north? Town after town under his protection has been taken by forces of Mexicans which were little better than organized brigands; and the general and president has remained serenely in his capital. A short time ago the city of Torreon, the gateway to the city of Mexico, was besieged, and battered, but the military head of the republic has not stirred to animate his own troops, or to share their danger. Such amateurs as Caesar, Frederick the Great, Napoleon, and Bolivar, found time in the intervals of state-craft to lead armies to victory. Somehow, the uninstructed think President Huerta is a *roi faineant*, who sends others to fight his battles, but avoids the villainous powder smoke.

Every such dictator in the experience of Mexico has had to suffer from dastardly contra-dictators, who have felt that their superb courage, popularity and patriotism gave them the same right as the head of the state to dispense with ordinary humanity. Among the rivals to Huerta the most notable is Carranza, who to the uninstructed American public seems to be a badly carved figurehead, animated with Huerta's desperate determination that other men shall fight and die for him at a distance. Nevertheless by his published instructions to Villa to murder his prisoners he has put himself outside the pale of civilized men. If he really possesses authority, he must take the responsibility of committing the conduct of his campaigns to General Villa, a professional brigand, skilled in making war in the benign fashion of the Tartar, the Kaffir, and the Apache, a man who combines the qualities of a train robber, a pickpocket and a New York gunman.

In international law, in ordinary morals, and in the sight of Almighty God, Villa's habit of killing non-combatants, men, women, and children, is nothing else but plain, despicable murder; murder without any military advantage; murder for the sake of killing. One

of his recent achievements has been to order the homicide of two hundred men (who had thrown down their arms) on the plea that unless he shot them they would form up again, automatically arm themselves, and attack him in the rear. Villa's plea is that of the bull-dog, that he must eat the rabbit because otherwise that animal will bite his tail off. He has as much capacity for civilized government as a bull in a ring. The plain American people have just the same aversion for Villa that they have for Huerta or for any other man who seizes upon power in order that he may benefit himself and massacre his enemies.

In international law it is a safe rule that every government which actually represents a nation is entitled to recognition and to diplomatic intercourse. But amid the dust and gore of Mexico it is difficult to distinguish a figure which seems to deserve official recognition by the United States of America. I freely accept the principle that the personal character of Huerta or of Villa, though a factor in forming a judgment as to Mexican character and government, is not a determining reason for refusing to recognize one or the other. So far as the President and secretary of state have made the personal behavior of those leaders a reason for refusing to have relations with them, they have departed from the precedents of American diplomacy. Our government has been rather under than over solicitous as to the private character of the heads of other governments. A country which three times recognized Santa Anna, and which recognized the most recent dictator of Peru by return mail, has no right to be finicky over Huerta's behavior. But behavior is a different thing from legal authority. Colonel Harvey denounces President Wilson for not giving a full opportunity "to the only government, however discreditable, that does exist, and the only really strong man, however disreputable, who has appeared." To his mind the policy of the administration is as if "one president declares war upon another president." Against this dictum I confidently protest. The rightful policy of our government is negative rather than positive. The probable and sufficient reason for not recognizing Huerta as President of the Mexican Republic is simply that he has never given evidence that he is President of the Mexican Republic, or indeed that he is the choice of the Mexican nation for any office or dignity. Who was it that declared him to be "provisional president" February 19, 1913? General Victoriano Huerta. Who proclaimed him to be "provisional but con-

stitutional president" February 27? General Victoriano Huerta. How did the vacancy occur in the office of constitutional president? Through the assassination of President Madero and Vice-President Suarez, while in the custody of men acting under the orders of General Victoriano Huerta. Who profited by this crime, and thereby made himself at best (or at worst) an accessory after the fact? Victoriano Huerta. Who has arrested people who questioned his title, imprisoned, banished or executed, right and left? Victoriano Huerta. Who dissolved the coördinate legislative branch of the Mexican government and sent its members to prison on the tyrant's usual charge of conspiracy? Victoriano Huerta. By whose directions have taxes and forced loans been made? That of Victoriano Huerta. If the question were that of recognizing a newly created nation of Victoriano Huerta by its sister power the United States of America, the case would be absolutely complete; every person, corporation, entity, and unit of government, comprehended within the broad term Victoriano Huerta, is unanimous in placing the entire public authority in the hands of Victoriano Huerta.

Nevertheless, the only question of international law and practice which the department of state has been called upon to decide is whether the man who calls himself president of Mexico is either *de jure* or *de facto* the president of Mexico. Geographically he is plainly not the president of all Mexico, for at least a third of its area is outside of his authority. From a military point of view he is not the head of the Mexican republic, because his forces have been defeated by rebel armies in every pitched battle for many months. Constitutionally he is not president of Mexico for he is not flanked by a congress chosen in an open election. As the wielder of supreme authority for the time being he is not entitled to recognition, because he is visibly afraid to leave his capital even to defend his government against armed enemies.

It is true as Colonel Harvey says that "the manner in which the Mexicans see fit to change their rulers is none of our business;" but is it not our business to observe whether the Mexicans have changed their government? Colonel Harvey feels sure that if Huerta had been recognized he would have brought about peace by this time, because he is the strongest man in sight. And Huerta makes the plea that all he needs to secure his power is recognition by our govern-

ment. What better proof could there be that his power is feeble, unstable and temporary? The United States would have been glad to be recognized by our neighbor Spain in 1781, but no such recognition was necessary: the United States was independent simply because it was independent. From 1821 to 1826 Mexico lacked the recognition of Great Britain, yet cheerfully maintained independence. When Louis Napoleon seized the power in France in 1851 he was not dependent on the recognition of other nations but on the acceptance of his rule by his countrymen. In what manner has the United States, as Colonel Harvey asserts, "deprived Huerta of the means of effective striving?"

Another argument for recognition for Huerta is that otherwise our government must recognize the Constitutionalists. To the uninstructed mind this point of view recalls the colored minister's appeal: "Oh, my hearers, do you realize that there is stretching before you at this moment two roads—one of those roads leads to eternal damnation, and the other to everlasting perdition—oh, my hearers, which road will you choose?" The common people look upon the two political organizations which are wrestling with each other in Mexico as about equally removed from the third and narrow way which leads neither to damnation nor perdition; and some Americans congratulate themselves that the government of the United States has taken no responsibility for either of those so-called governments.

The most familiar starting point for the Harvey cheering section with its "Recognize Huerta!" is that he is the strong man, who only needs recognition by the United States to bring about order and good government. It is fair to ask why this particular strong man should succeed where failures were recorded by Iturbide, Bustamente, Aristomente, Santa Anna, Comonfort, Miramon, and Madero. The *Berliner Tageblatt* which ought to know a strong man when it sees him, is sure that Huerta is "exactly the man that Mexico at this juncture needs." But if Mexico needs him, what prevents Mexico from having him? If by a "strong man" is meant only one who can by brute force compel 15,000,000 people to obey him against their will, then the man for President of Mexico is evidently not Huerta but Hagenbeck, the lion-tamer, with his whip and revolver to encourage his loving subjects. The mention of lions suggests Wallace Irwin's conception of a strong character:

Adolphus I am hungree,
 And rather faint am I,
 Pray be so good as give to me
 A morsel of your pie.

The lion ate Adolphus' pie
 With all politeness due,
 Then pausing with a grateful sigh
 He ate Adolphus too.

Then rising with a thoughtful roar
 He sauntered down the plain,
 A stronger, better lion for
 Adolphus' deed humane.

I for one, protest against the argument that it is the moral duty of the United States to help into power a man of a type against whom every man would take up arms, if he were an American and tried to make himself dictator of the United States. What is the use of dubbing as "Constitutional," a process of murder and seizing on offices which would justify revolution, if it were tried here? Why excuse and extol a man who, if he tried his policy within the bounds of the United States, would be stoned out of civilized society!

Doubtless many people are led to believe that Huerta is the government of Mexico, because he occupies the national capital, gives orders to an army and is supported by his troops so long as he is able to pay the price. After General Miramon in 1858 became "president substitute" and was recognized by most of the European powers, Secretary Cass instructed Minister McLean that possession of the Mexican capital was not an essential condition of the recognition of the government; that he should recognize no government unless it was "obeyed over a large majority of the country, and the people, and was likely to continue." President Buchanan thought that since Miramon "was himself a military usurper, having expelled the constitutional president from office, it would have been a lasting disgrace to the Mexican people had they tamely submitted to the yoke."

The fact is that there is no constitutional or international reason why at present anybody must be recognized in Mexico. It would have been well for the world if earlier administrations had been less hasty in recognizing dictators whose careers were destined to be short. It is not true, even though the *London Spectator* says so, that "the

alternatives are to recognize whatever president has at the moment climbed to power (or) to act as though Mexico were no longer an independent country." If there are now two organizations in Mexico, neither of which can show any proof that it is desired by the Mexican people, the obvious common sense course would seem to be to recognize neither of them. As Lincoln said in his famous speech in Chicago about slavery, "I protest now and forever, against that counterfeit logic which presumes that because I do not want a negro woman for a slave, I do necessarily want her for a wife. My understanding is that I need not have her for either; but, as God made us separate, we can leave one another alone, and do to one another much good thereby."

Is there a Mexican people? Is there a popular will? Is there any known means of determining that will? That is of course the radical issue for Mexico and the Mexicans. Inasmuch as since 1821 there have been over twenty military despots, and only two elections at which there was an open and unstressed opportunity for the Mexicans to vote for a president, the prospect of a genuinely popular government is discouraging. Apparently most of the Mexican people would accept any just and moderate government which was once firmly seated; but with the single exception of Diaz, the "strong men" have never furnished anything approaching a just and moderate government,—certainly not Huerta. The Mexican tyrant loves the trappings of tyranny. Our American despots are satisfied with the actual control of conventions, legislatures, governors and parties; but the Mexican wants all that, and in addition, a cocked hat, sabre, presidential palace, and bullet-proof automobile. We are not too far from the ordinary habits of Mexican life; bandits have recently attacked railroad trains in Massachusetts and Illinois; and a candidate for the governorship of a southwestern state seems to rest his claims on the fact that he served a term in prison for being captain of brigands; the beginning of civil war may be seen in Colorado. But the American people have the habit of accepting a defeat in a political election, cordially recognizing the candidates elected by the other party, and then organizing to beat them at the next election. Such patience and forbearance seem lacking in the Mexican character; with them it is rule or ruin. So long as recognition waits upon the existence of a stable government, it may have long to wait.

There is a positive and pressing need for official understanding

with some authority in Mexico because the property and lives of foreigners, including many American citizens, are in daily danger. Some of that property arises from questionable dealings with defunct governments, much of it is fairly and honestly won against great difficulties. Most of the Americans who have established themselves in Mexico did so under a government which seemed likely to retain its authority and keep the peace. Our government owes to those people moral support at all times, and protection in case of need. Of course that protection can be offered without recognition of this or that Mexican government; and it is difficult to see how a constitutional president who cannot defend the lives and property of his own adherents in the north, could by recognition become suddenly powerful enough to defend Americans in the south. The main difficulty is not recognition, nor even the weakness of Mexican government, but in an instability of Mexican character, which seems to make good government impossible. We have been misled by the exceptional endurance of the Diaz régime. Leaving that one administration out of account, no government in Mexico has ever been much aided by American recognition, or much marred by the lack of it.

Then what is to be done? How is the United States to protect its nationals, or to make effective those claims for millions of dollars which will soon come pouring in, and which in the last resort will have to be paid by the Mexican taxpayer? Failing recognition, intervention has been demanded. If by intervention is meant the military occupation of Mexico with a view to the pacification of the country, and then the withdrawal of troops, there have been some experiences that seem like precedents. Buchanan vainly sought from Congress in 1859 authority to send an army into Mexico, to break up the Miramon government, and thus open the way for the Juarez government. Even when the French were in Mexico, no American troops ever crossed the border.

It seems tolerably clear that any American expedition would forthwith bring about some approach to a real national government by making every decent Mexican ready to meet the Americans, as Tom Corwin put it in 1846, "to welcome them with bloody hands to hospitable graves." For, strange as it may seem, the Mexicans, who have never learned how to develop the resources of their country, or to give it dignity among nations, have an inveterate love of their own land, a furious hatred of those who attempt to diminish their

territory, and a willingness to die in its defence, which among more highly organized nations might be called patriotism.

Allowing that intervention should begin, when and how is it to end? That is a question of more significance to us than to the Mexicans. Excellent military authorities think that a force of 200,000 men would not be too large for the purpose, which would be by far the largest army ever moved from one country to another in America. And when would that country be ready to take care of itself again? Sixteen years we have been civilizing the Filipinos up to the point where they are unanimous only on one thing, namely, that they want us to leave. Nothing less than a similar experience of education in language, science, and self-government would much affect the disposition of the Mexican people.

Supposing that our physical means are sufficient for the task of holding down Mexico, have we not sufficient race and color questions already? Are we so far advanced in the amalgamation of European races, much nearer to us than the Mexicans are in culture and standards, that we can undertake a similar task at long range upon an unwilling people? Is Cuba so certain to remain a dependency instead of to become an integral part of the United States, that we can undertake a problem many times more difficult? Have we been so successful in the fair treatment and civilization of our own 300,000 Indians that we wish to be responsible for 14,000,000 more? Is the government of Boston, New York and Philadelphia so firmly established on principles of truth and righteousness that we can now transfer our energies to the uplift of Tampico and Mazatlan, and the city of Mexico? Von Moltke used to say that he had worked out three different detailed plans for the invasion of England by a German army, but he never could contrive a plan for getting the army back again. A stroke of the pen can send an army into Mexico! How many strokes of the sword will be needed to keep it there?

ERRORS WITH REFERENCE TO MEXICO AND EVENTS THAT HAVE OCCURRED THERE

BY HENRY LANE WILSON,

Former Ambassador of the United States to Mexico.

I. The Character of the Government of General Diaz

Diaz was not a tyrant, but a benevolent autocrat who understood the Mexican people and knew them to be unfitted for self-government. Though not elected by constitutional methods, he governed according to law. He ruled Mexico for thirty years with a hand of iron, but possessed withal undeviating personal honesty, loyalty to obligations and a profound patriotism, together with a lofty conception, as to Mexico's needs and future. His foreign policy was clear and fixed from the first days of his power. It consisted, among other things, of the cultivation of the friendliest relations with the government of the United States coupled with the invitation to American capital and American energy to go thither and develop the marvellous resources of the country, affording them generous profits but reaping in return much greater ones for Mexico.

He had two great domestic policies: First, the development of the material resources of the country; second, the quickening of the moral life of the nation. The first of these policies he accomplished with a high measure of success. The second he would have accomplished but for the undermining influences of advancing years and the realization that the task was beyond his endurance and power. If Diaz had carried the torch of enlightenment into the dark places of Mexico, the history of the last three years might have been differently written. He covered Mexico with a network of railways; he developed her resources by concessions and by encouragement to foreign capital; he fostered her manufacturing, mining, agricultural, and commercial interests; built hospitals and innumerable public institutions; established her credit at home and abroad; and, with his army and rural police, made life as safe on a Mexican highway as on one of the public thoroughfares of the state of Massachusetts. He did more than this. With the materials which he had at hand he

tried to establish justice, and no man who could present to him an honest cause ever suffered through a miscarriage of justice; and no man who observed the law and kept the peace needed to fear his avenging hand. The legend, however, existed that those who broke the law, that those who committed crimes, must pay the penalty, and this made peace.

II. Diaz was not Overthrown by Madero, but by a Universal Public Sentiment which Madero neither Created nor Represented

The government of Diaz was not overthrown by Madero; it collapsed and on its ruins Madero, who represented only a small fraction of the active opposition, rode into power through the default of any other organized movement.

The vast majority of Mexican public opinion was hostile to Madero from the first days of his government, and this hostility augmented as it became evident that his administration was insincere in its promises and incompetent in the performance of its obligations. Madero came into power pledged to a platform which declared for free press, free elections, free lands, free education, and a free judiciary, but after more than a year of his administration not a single pledge of his altruistic program had been kept. A free press existed neither in theory nor in fact. Of the metropolitan newspapers three were owned by the government, and the editors of five were in jail. The press and the international news service were censored and only that which pleased the government was sent abroad. In the matter of elections, the government interfered with every gubernatorial election from the Rio Grande River to the boundary of Guatemala, and it used all its power and influence to elect a friendly legislative body. Pledged to free and universal education, the government did not appropriate for educational purposes a single dollar beyond the amount already established by precedent. Neither was a single additional school-house built, nor an additional opportunity afforded a Mexican child to receive education. To the great and preëminent problem of furnishing lands to the people through some intelligent system of redistribution no attention whatsoever was paid, and when Madero fell not a single acre of land had been distributed, nor did there seem to be the slightest probability of any effort in that direction. In the last days of the government a profound pessimism suc-

ceeded the altruism which had been so bravely heralded in the earlier and more sanguine days. The leader of the revolutionary protest against the despotism of Diaz became himself a despot, practicing all the forms of tyranny against which his revolution and his election were protests; the dreamer of Coahuila, who essayed the rôle of Moses, shriveled rapidly to the dimensions of a Castro. Thus, after the sacrifice of thousands of human lives, the destruction of vast material interests, aggravation of the condition of the poorer classes, and desolation and ruin spread over a third of the area of the republic, the Mexican people discovered that their lives and their property were subject to the same type of despotism which had aroused a national protest against Diaz, and that the dangers and difficulties of the hour were vastly increased by the impotence of the government and its apparent inability to maintain the national prestige and credit.

III. The Supposition that Madero was Elected by Constitutional Methods and by the Majority of the Mexican People

Madero received a total vote of 19,987, out of a population of 15,000,000 people. There is no such thing as a constitutional method in Mexico. There is no machinery for carrying out the national will through democratic channels. There are no precedents to guide the Mexican population in the exercise of sovereignty, and the people themselves are totally unable to distinguish between right and wrong, between an autocracy and a democracy. If left to their own inclinations they would choose an autocracy.

IV. The General Belief that the Madero Government was pro-American

At the close of the Taft administration relations between the United States and Mexico had become severely strained. At the beginning of the revolutionary government there were in Mexico somewhere between fifty and seventy-five thousand American citizens, and American capital invested to the extent of probably a billion of dollars. As the Madero government continued in power, it became evident, not only to the official representative of the government of the United States in Mexico, but to all observing foreigners, that there existed a strong anti-American sentiment among a large number

of the more ignorant part of the population of Mexico; a sentiment which, if not in some measure shared by the Mexican government, was at least not discountenanced nor reproved by it. In no single instance, that can be recalled, did an official under Madero voice an appreciation of the unselfish attitude of the American government and people, or express the smallest measure of gratitude for the material benefits which American intelligence and energy and American capital had bestowed upon Mexico. On numerous occasions, however, public orators, the press, and all the organs capable of influencing public opinion, were busily engaged in inflaming the public mind and in rendering more unsafe the situation of Americans and their properties in Mexico.

This lack of sound and civilized public policy bore its fruit, as might have been expected, in a wide and indiscriminatory attack upon everything bearing the stamp of American origin. American interests honestly acquired, and on which vast amounts of capital had been expended, were everywhere attacked on baseless and absurd pretexts, by persons in collusion with friends of the government, and were harassed by confiscatory taxes and by the denial of the protection which the most elementary conceptions of government would afford them. American citizens, to a great number, were arrested on frivolous and insufficient charges, and incarcerated in filthy and uncivilized jails, from which neither the protests of our own government nor the palpable and proven injustice of their imprisonment could release them. Scores of American citizens were foully and brutally murdered, and neither diplomatic representations, entreaties nor threats served to procure the trial or punishment of the offending criminals. The property of our citizens was destroyed, yet the Madero government turned a deaf ear to their complaints, and denied them that justice which it is incumbent upon all civilized nations to afford. To such an extent did this persecution grow that, at the time of Madero's fall, probably thirty thousand American citizens had been obliged to abandon their homes, their factories, their mines, and their haciendas, and return to the United States.

The American property confiscated or destroyed reached a sum of vast proportions, and yet from all indications the Madero government had no intention of recognizing its responsibility for the damage. The inability to secure adequate protection for American citizens, the unprovoked murder of many Americans, the failure on the part of

the Mexican government to secure the arrest, detention and punishment of the murderers, the disposition of the executive to attack legally acquired American interests through trumped-up court processes, the arbitrary arrest and imprisonment of Americans on frivolous charges, the failure of local governments to remedy such abuses, the savage and barbarous character of the warfare—by all of these intolerable conditions our government was finally forced to take a decisive stand. Hence, on September 15, 1912, the embassy, under instructions from Washington, addressed to the Mexican government a note which not only evidenced the virility and alertness of the Taft administration, but induced the Madero administration to dispatch the minister of foreign affairs, Mr. Lascurain, to the United States with instructions, couched in general and vague language, to make concessions to Secretary Knox, and also incidentally to see President-elect Wilson for purposes unknown to the author but presumably connected with the policy towards Mexico of the administration which was about to come into power. This occurred coincidentally with the withdrawal of Señor Calero, Mexican ambassador at Washington, and his public announcement in connection with his resignation, that he had been instructed by the Madero administration systematically to misrepresent conditions in Mexico.

V. Character of the so-called Constitutionalists and their Leaders

The so-called constitutionalists are merely large organized bands of bandits who were in arms against the government of General Diaz, and then in arms against the government of Madero, and are now in arms against the government of General Huerta. These bandits learned of their new opportunities in the last days of the Diaz government; they improved them under the government of Madero; and they have now become professional bandits who loot to live and live to loot. The designation "Constitutionalist" has been assumed solely for the purpose of enlisting the sympathy of the Washington government, which should long ago have discovered the shallow pretense and mockery of the disguise. These people have no comprehension of the meaning of the word "democracy." Their idea of an election is a revolution, and they have no intention whatsoever of aiding in the maintenance of an orderly, peaceful, democratic republic.

The duties of my position during nearly four years of arduous and responsible work in Mexico, have brought me frequently in contact with the methods of these northern brigands, and I may say without the slightest hesitation that, as a whole, they are not only entirely out of keeping with our conception of what an honest people struggling for liberty should be, but are mere natural savages dressed up in the habiliments of civilization. Of their chiefs and leaders it can only be said that their crimes are greater and their responsibility more heavy because of their greater intelligence.

Carranza, the dummy and opera bouffe president put forward by this band of outlaws, is an ineffectual politician. He is responsible for the massacre of Durango. He was chased out of the state of Coahuila by his subordinates, and he has remained until the last few weeks, by the order of Villa, in complete isolation in the state of Sonora. Whatever part he takes in coming events, the American public may understand that it is purely opera bouffe in character, and that, when he is not needed for spectacular purposes, his services will be promptly dispensed with.

Villa, the real leader of the revolutionary party, has been a bandit for twenty-five years, and has to his credit more than one hundred murders. He has pillaged and looted the larger part of the state of Chihuahua. He is responsible for the massacres of Juarez, Ojinaga, Chihuahua and Torreon, and he may be depended upon to murder and loot whenever he can do so with safety.

Aguilar, the third chieftain, was in arms against Diaz, and then in arms against Madero, and is now in arms against Huerta. His contribution to the cause of constitutionalism was the massacre of Victoria. The fourth in this galaxy of patriots is Zapata, who is responsible for the desolation and spoliation of the states of Morelas and Guerraro. Zapata is known to all the world. He has been in arms against Diaz, against Madero, and finally against Huerta, and will be in arms against any government established in Mexico City.

With these elements the Washington administration must deal when it shall have overthrown the government of General Huerta, and no government will be permitted to exist which has not the seal of their approval and support.

VI. Character of the Mexican Population as a Whole

The character of the Mexican population as a whole is very greatly misunderstood in the United States. At least 80 per cent of the population is of the indigenous races, without an abiding place except by sufferance, with no more than a nominal part or interest in the politics and affairs of the country, unable to read or write, who, while preserving the vices and traditions of their ancestors, have been made infinitely worse by the ingrafting of the vices of the white man and by the consciousness of a feeling of injustice arising from the realization that they are pariahs and outcasts. Here lies, in large measure, the root of the evil conditions and that which will constitute a menace for all time to come, unless righted by a strong and vigorous government moving on definite lines of policy with the sympathy, advice and assistance of those civilized powers which, instead of attempting to set up an altruistic republic among a people unfitted for it by education and tradition, may furnish those effective aids which will lead to a system of universal education, the implanting of sound political ideas, and a patriotism which shall be something higher and nobler than hatred of the foreigner.

VII. Character of Madero

Madero was a man of imperfect education and vision. He was a disciple of the French school in politics and economics, but never gathered its threads of philosophy for practical application nor comprehended in the least the deep, practical common-sense which lies at the root of all French political opinion. He was a dreamer of dreams, and a singer of unknown songs which met with no echo. He came into power as an apostle of liberty, but he was only the man who happened to be in the public eye at the psychological moment. Remote from the great position where his misguided ambition carried him, he would, doubtless, have remained a quiet and simple country gentleman of benevolent ideals and blameless life. Clothed with the chief power of the nation, evil qualities, dormant in the blood or in the race, came to the surface and wrought ruin to him and to thousands upon thousands of the Mexican people.

VIII. Events of the Bombardment of the City of Mexico and the Overthrow of Madero

With reference to the bombardment of the City of Mexico, which culminated in the overthrow of Madero, it may be useful to illuminate a few points which have been matters of public discussion.

1. The representations unofficially made to Madero urging his resignation by the American ambassador and the British, German, and Spanish ministers, with the approval of all their colleagues, were made after it was known that a large number of army officers under Huerta were untrue to the Madero government. Also they were made only after the military attaché of the American embassy had informed the ambassador that the citadel held by General Diaz could not be taken by the Madero government, even with the sacrifice of its entire military force. These representations reflected the views of all foreigners in Mexico City. They were made, not only for the purpose of saving the lives of foreigners, but for the purpose of saving the lives of Madero and his family.

2. These representations were enforced on the same day by similar representations from the Mexican Senate, and they were followed on the next day by similar representations from a committee of the army, at which time Madero killed with his own hand Colonels Riverol and Izquierdo. I believe this is not disputed. Following this act Madero was made prisoner by General Blanquet. Had he acted upon the advice given him by the members of the diplomatic corps and handed over his powers to Congress, the Mexican revolution would have avoided all the tragedies which followed.

3. After the overthrow of Madero was announced to the American embassy for transmission to the diplomatic corps, a new situation immediately developed. All civil power had ceased. Two hostile armies occupied the City of Mexico, which had been devastated by ten days of bombardment, during which the lives of some five to seven thousand people were sacrificed. In the poorer quarters of the city, thousands of people were starving. Bandits were beginning to appear in every quarter intent on pillage. Human life was safe nowhere. Some twenty thousand foreigners were depending upon the embassy for protection and for guidance. Fifteen hundred Americans had been brought out of the firing zone and furnished with homes in the immediate vicinity of the embassy which undertook to afford

them protection and supply them with the necessities of life. Lights and water for the embassy had been cut off, and one side of the building riddled with bullets. The scarcity of food increased, and the difficulty of feeding the vast number of people dependent upon the embassy for supplies grew hourly greater. It seemed to the ambassador that his duty was clear, and he immediately sent, on his own responsibility, for General Felix Diaz and General Huerta to come to the embassy, as neutral ground, for the purpose of arranging, if possible, for some cessation of hostilities. Eight hours after the overthrow of Madero these generals came to the embassy. The ambassador had met these men only once before in company with his colleagues, but he was able after six hours of discussion—sometimes of a highly irritating character—to induce these men to agree to turn over their powers to Congress. This was done, and on the morrow the people of the City of Mexico resumed their peaceful occupations.

4. Madero died as the result of a military conspiracy formed for the purpose of avenging the deaths of General Reyes, General Ruiz, Colonel Riverol and Colonel Izquierdo. The embassy's investigations brought no certain conclusions except to indicate that General Huerta was in no way privy to the killing of Madero, but that it was his well-defined purpose to send him out of the country. At one time a train was prepared for this purpose, but when telegrams from some member of the Madero family to the military governor of Vera Cruz urging him to rise, were intercepted, Huerta decided it would be unwise to let Madero depart. The most that may be said of Huerta in connection with this crime, so repugnant to civilization, was that he did not take sufficient precautions to guard against it. Madero was killed in precisely the way it was related, namely, by his guards after an attack had been made upon the automobile. It may be mentioned here that Madero was being transferred from the guard house in the palace to the penitentiary at the request of the American embassy, which acted in the matter in response to Mrs. Madero's prayers that more comfortable quarters should be assigned to the ex-president.

5. It is believed by a great many honest people that Huerta slew Madero for the purpose of succeeding him in the presidency. This is a chronological error. Madero had resigned and Huerta had succeeded to the provisional presidency before Madero was killed. Thus while Madero was violently overthrown, his death did not occur until after his successor had been chosen.

IX. Legality of the Government of Huerta and its Support by Public Opinion

The government of General Huerta was as legally constituted as any Mexican government in the past. President Madero and Vice-President Suarez resigned. Mr. Pedro Lascurain, the Madero minister of foreign affairs, then succeeded under the constitution to the presidency. He assumed the office and appointed as his minister of the interior, General Victoriano Huerta, and then resigned. General Huerta then took office in accordance with the provisions of the Mexican constitution, and his powers were approved by Congress without a dissenting voice. The government came into power accompanied by the hopes of fourteen million Mexicans who were not enamored of Huerta, but who were sick of disorder, blood and violence and the wasting of the national resources. These people wanted a government which would stand for law and order. They believed Huerta to be a man of the type of Diaz, who would be fearless and prompt in the protection of society and in the punishment of those who violated the law. Huerta is a soldier. He has spent his entire life in military service. He is an able, adroit, courageous man. His desire is to protect society and to restore peace, and he is not over particular as to the methods employed to accomplish this end. He will fight to the last, and if eventually overthrown will go down in the midst of the ruins.

X. Errors of the Washington Administration

1. The announcement of the new doctrine that governments owing their origin to violence would not be recognized by this government. This was an error for the following reasons:

a. It was announced before the President had access to the records of the department of state and the history of our foreign relations, which should have served as his guidance.

b. It was purely an expression of the President's personal views, being contrary to the traditions and precedents of this government since its existence.

c. It was uttered without foresight and without that comprehensive view of its effect on our foreign relations which should have obtained. This is made evident by the inconsistent attitude of the administration in refusing to recognize the administration of Huerta,

and subsequently recognizing the new government of Peru—where the president had been deposed by violence and was in jail, and the minister of war had been assassinated—and by the recognition of the government of Haiti. These inconsistencies subject the administration to the charge of insincerity.

2. The refusal to recognize the provisional government of General Huerta. In taking this position this government was acting within its rights, but it nevertheless contributed to the discredit of a government which was endeavoring to restore peace and order in Mexico, and which had the support of ninety-eight per cent of the Mexican public and of the American and all other foreign colonies, as well as of all European governments. The consequences following the withholding of our recognition have been most grave. Our attitude has been interpreted and is now recognized as favoring and supporting rebels in arms against a regularly constituted government. It has fed the flames of rebellion, stimulated the revolutionary movement, and is responsible for the destruction of millions of dollars worth of property and thousands of human lives. It has financially ruined thousands of Americans, and it has afforded advantages to European commercial, manufacturing and exploiting interests, to the loss and detriment of those of the United States. It has excited the suspicion and hostility of every Latin-American country, has grievously affronted every European chancellery and has placed this nation in such imminent peril in its foreign relations with three great governments that it has found itself obliged to determine its course in a great international question by the pressing necessities of the difficult position which it has created rather than in response to the call of high national and moral obligations. It has forced a further distorted and amplified interpretation of the already exaggerated Monroe Doctrine, and launched us upon seas of imperialism from which no man may see the shore. Persistence in such a policy can be justified only by the supreme necessity of saving the pride and prestige of an administration committed to a national blunder. It can therefore be justified only as a policy of "expediency" and not as one of "morals."

3. The dispatch of the Lind mission. The dispatch of Mr. Lind to Mexico, as the official representative of the President in dealing with the Huerta administration without the approval or consent of the Senate of the United States, was an act at variance with our precedents, and was an assertion of over-lordship toward the sovereign

Mexican nation through direct though not armed intervention in its affairs. The representations made through Mr. Lind had already been made, under instructions from Washington, through the sworn and constitutionally appointed officer of this government, without success, and their repetition through the President's personal representative, a person without diplomatic character or training, was an act of needless offensiveness toward a friendly and sovereign state. The Huerta government was convicted of high crimes and misdemeanors upon *ex parte* testimony. Huerta was told that he was unfit to be president and was asked to join in an expression of his own condemnation. Huerta's government was furthermore asked to give guarantees for a constitutional election, whereas every person versed in Mexican affairs knows that a constitutional election is impossible in Mexico. Finally, the diplomatic maneuvers of the Washington government having been conspicuously baffled and defeated by the fearless Mexican president and his astute minister of foreign relations, Mr. Gamboa, the administration made an irreparable mistake in retaining Mr. Lind in Mexico, after his mission had terminated, thus further irritating the Mexican government, exposing our own government to additional ridicule, and the unfortunate Mr. Lind to the dubious delights—though assured safety—of the seaport of Vera Cruz.

4. The attempt to discredit European nations accredited in Mexico, and to misrepresent their attitude with reference to recognition.

The European governments accredited in Mexico have no political interests in that country, but they have large commercial ones and large colonies. France has \$900,000,000 invested in banking and manufacturing enterprises. Great Britain has close upon a billion of dollars invested in mines, banks, railways and plantations. Germany and Spain have each over \$500,000,000 invested in the country at large. The representatives of these governments have experienced, not only nearly two years of the misgovernment, but also the terrors and insincerities of the Madero government—a government in theory totally unsuited to Mexico, and in practice worse than the autocracy of General Diaz. They desired to provide for the safety of their nationals and to secure for them an opportunity to pursue their peaceful occupations. They therefore recommended the recognition of the Huerta government, and for those reasons only their representations were approved and acted upon by their governments. The refusal of this government to accord recognition became therefore

equivalent to a rebuke to the European, Asiatic and Latin-American nations which had accorded recognition. This implied rebuke was distressing to them not only because they were deprived of the moral support of this government in aiding the Huerta administration to restore order, but because they were offered no compensation for the loss of the benefits expected to flow from their action.

5. The attempt to destroy the financial credit and standing in Mexico.

This was the second act of intervention in the affairs of Mexico, designedly expected to prevent the Huerta government from securing the means necessary to put down rebellion and disorder. For the purpose of carrying out this policy this government and this nation were made responsible for the destruction of vast material interests, for a protracted period of bloody warfare, for the unnecessary sacrifice of thousands of human lives, and for the permanent impairment of cordial good feeling between the two nations. This policy, initiated without any knowledge of the resources of the Mexican government, has been a ridiculous failure. Huerta's revenues today are larger than they were six months ago. They are composed of \$5,000,000 a month from the customs revenue, and \$6,000,000 from special taxes that are not burdensome, thus giving a total revenue of \$11,000,000 a month to be used for administrative and war purposes.

6. The lifting of the embargo on the importation of arms and ammunition into Mexico.

This was an error (a) because it was dictated by considerations of "expediency" and not of "morals." Placing arms in the hands of civilized people bent on destroying one another is an immoral act and contrary to laws human and divine. How much more reprehensible, therefore, is the placing of arms in the hands of savages and vandals with the power to take human life and destroy the property of law-abiding people. By this policy our government, acting upon the promptings of mistaken even though honest motives, became accessory to the crimes committed by the hands of barbarians. (b) Because the act convicts the administration of insincerity, since the President some six months ago announced his determination never to take this step. (c) Because, with the failure of some established Mexican government to become responsible for damages growing out of the disturbed conditions existing in northern Mexico, we as a nation will become liable, under international law and under the interpre-

tation of the Monroe Doctrine, for money compensation for the lives and property of foreigners taken in that territory. These damages will amount to probably seventy-five or one hundred millions of dollars.

7. The assumption that constitutional elections can be held in Mexico.

There has never been a constitutional election in Mexico, and there never will be until a radical change is made in the habits and character of the people. The work of making the nation democratic must be begun at the bottom and not at the top. We cannot justly saddle an ignorant nation with responsibilities such as are borne with difficulty by highly civilized nations. Eighty per cent of the population is Indian, unable to read or write, and having no comprehension of the theory and practice of democracy. As well expect the statue of liberty in New York harbor to stand if built upon quicksand as to expect a constitutional election under present conditions in Mexico. Every government there has been shot in and shot out of power, and a revolution is an election. The truth of this view is sustained by the history of Mexico since the time of the revolution against Spain. Where else throughout the world have there been more turbulence, more violent overturning of government, more hallelujahs of triumph, or more anathemas of death and defeat? The hero and patriot of one hour becomes in the next hour the fugitive from justice with a price upon his head. He who rules marches through slaughter to a throne. Power is seized by ambitious hands, but the victor ends his career in the dungeon, in exile, or by the dagger. From the time of the revolution against Spain down to the time of the establishment of the government of General Diaz, the rulers of Mexico pass across the stage like the ghosts of Banquo. The ambitious Iturbide, the tyrant Santa Anna, and the unhappy and misguided Maximilian, along with a multitude of vulgar and bloody tyrants, held sway over the destinies of this unhappy country, despoiling its population and leaving in their wake only the tragic echoes of disappointed ambitions. Philosophers should have learned the lesson taught in the pages of Mexico's bloody history, that the practice of democracy, which is a burden at times to the most civilized nations, cannot be successfully imposed upon an illiterate nation clothed only with superficial vestments of modern civilization.

NOTE. This paper was read at a meeting of the Academy April 3, 1914.

THE MEXICAN SITUATION

BY HENRY CLEWS, PH.D., LL.D.,
New York.

The situation in Mexico at the moment is about as bad as it could be, and unless some outside influence is brought to bear, I can see no chance of immediate improvement.

The recent murders of an Englishman and an American have stirred the blood of all who speak our common language. Fortunately for us, England has kept her hands off, leaving it to us to see that the factions in Mexico atone for their crimes.

Were it not for the Monroe Doctrine, it is more than likely that several foreign powers would have landed marines in parts of Mexico, for the reason that citizens of their countries were being deprived of their business rights, and had suffered large money losses on account of the chaotic state of affairs. If these countries once made a landing it might be a long time before they withdrew, if ever, as they are hungry for a portion of the territory of this hemisphere, and now would be their opportunity for acquiring it.

President Wilson, in his policy of non-intervention, is trying an experiment which we all hope will prove a success, for no one wishes to see bloodshed, or money lost, by settling quarrels between the citizens of our near neighbors. With England approving of our waiting policy, other nations are lookers-on, and for the time being are willing to wait for the tide to turn when they can seek reparation for money losses.

The future of Mexico is inextricably bound up in social, political and economic problems of the most complex character.

Socially, the conditions in Mexico are such as to make successful government almost impossible at this time. The great mass of her population is a mixed race of Spanish and Indian blood raised but a step above the savage state. The people are uneducated and grossly ignorant, highly excitable, and given to spasmodic outbursts of passion, outlawry and violence. To have ever given such a population the vote before it was able to exercise an approximately decent use of it was a blunder of the most grievous sort. Mexicans not only

have no conception of how to use the ballot, but their inability to comprehend its inestimable privileges converts them unconsciously into tools of crafty and unscrupulous leaders who brutalize the voters and exploit them for purely selfish and personal ends. There is probably no more ignorant voter in the world than the Mexican. Our own colored people are infinitely better citizens and better voters than the Mexican peon. The ballot in that anarchy-ridden country is not merely a farce, but a curse, inasmuch as it perverts every branch of the government and only serves to strengthen the grip of an oppressive and greedy aristocracy upon the entire population.

Politically, the present system of government in Mexico is an absolute misfit. Her constitution is modeled after that of the United States—a nation that has in its blood the traditions, principles and habits of generations of self-government behind it. It is self-evident that what fits the United States cannot fit Mexico where racial conditions and traditions are so entirely different. Successful self-government in Mexico can only come through many years of gradual change in the public character by means of experience, education and the influx of a better population.

What Mexico primarily needs for the time being is a strong central government. Perhaps an intelligent and just despotism would best fit the present situation in Mexico. But can such be found? Does Mexico produce men of the necessary type? Can Mexico turn out a Lord Cromer of Egyptian fame, or a Colonel Goethals of Panama, or a Taft of the Philippines? If the destinies of Mexico could be controlled for a few years by men of this type, she might be educated gradually to take care of herself. The most successful government Mexico ever had, in spite of its gross abuses, was a despotism; but that government was notoriously corrupt. Its members grew enormously rich, and the people were taxed to death in order to support a political machine which simply crushed the taxpayer, and kept him in practical slavery. Human nature was bound to revolt against such oppression.

My suggestion is to bring Huerta and Carranza together and see if they cannot agree on a provisional president to be appointed or elected, and that suitable recognition in some official capacity be given to each of these leaders. Both must realize, though neither will admit it, that if the present struggle keeps up both must lose, as intervention will mean ruin to them. No lasting peace can be

secured unless it guarantees protection to the lives and property of all foreign residents, and metes justice to the people of Mexico of all grades and conditions.

Economically, Mexico is entirely dependent upon foreign capital. It is estimated that there are about five thousand millions of dollars of foreign investments in Mexico, a considerable portion of which belongs to the United States. Her railroads, her mines, her oil wells and her banks are all chiefly owned and controlled abroad. The Mexican people work largely for non-resident owners and masters. This, of itself, creates fatally weak economic and social relations, for there is no doubt that Mexico would be much better off if a larger proportion of these owners lived and spent their money in Mexico, and exerted their steadying influence upon political affairs.

There is still one more economic and social weakness of far-reaching importance, and that is this, the great bulk of the land in Mexico is owned by a few wealthy families who have grown rich by extracting from the natives all they possibly can. There are practically no small land owners in Mexico, and there is no peasant class, which, if it existed, would be an element of stability and result in a more equitable distribution of the national wealth. No domestic peace can be expected in Mexico until the present unwholesome land system is broken up. Mexico is suffering from a state of practical slavery against which human nature is bound to rebel. To a savage the life of brigandage is vastly more interesting and attractive than any orderly self-government could be.

What Mexico should have is, first, a strong, wise and unselfish government, with more or less autocratic powers.

Second, a change of laws which would give opportunities to small land owners; and third, the encouragement of a better class of immigration—all with the purpose of keeping a large share of the nation's profits at home. Finally, above all, Mexico needs men—strong men, men of high and unselfish purpose, men of great executive ability who will consecrate themselves to the upbuilding of Mexico on the lines of justice and sound economic development. Mexico has a brighter future than is supposed even under the present clouds of revolution. When these pass away, as they ultimately will, there will spring up a new and better Mexico. There is a grand opportunity for a statesman of constructive genius. This is far and away the first and greatest need of Mexico. Can she produce such? If

not, can she find one elsewhere, and if not, what will happen? Nobody can predict the consequences of the present protracted state of anarchy, except that it must end, and if not by inside force, then by outside force.

I am a most earnest advocate of peace by arbitration, and it would be a grand day for humanity if the Mexican troubles could be settled in that way as it would mean the dawn of a new era. Many of the leading lights in Mexico are yearning for peace and saying to both Huerta and Carranza, in the words of Shakespeare, "A plague on both your houses!" In our own country the right man has been found in every great crisis. Let us hope and pray that a Moses may arise in Mexico who will be able to lead his countrymen in the path of peace with honor to all who deserve honor.

THE CONSTITUTIONALIST PARTY IN MEXICO: WHAT IT IS FIGHTING FOR

BY SEÑOR DON ROBERTO V. PESQUEIRA,

Confidential Agent of the Carranza Government in the United States.

It has been stated with much persistency throughout the United States and Europe that the real object of the present revolutionary movement in Mexico is merely to avenge the death of the late President Madero and to restore to power his administration. This fallacy, based entirely upon imperfect information or misconception of the real facts, merits immediate correction, and it is my purpose to accompany it by some words of explanation that may possibly clarify in some degree the general subject under discussion.

The revolution of 1910, led by Madero, was not one inspired by personal ambition or thirst for power. Madero's critics admit that. Even Porfirio Diaz, after the fall of Juarez, reluctantly recognized the movement as one based on economic and social considerations, and of a character so serious as to demand his resignation as president of the republic, indeed, his withdrawal from the country. For thirty years Diaz had ruled Mexico with a tyrannical hand of iron. During that period he granted many valuable and monopolistic concessions to foreigners, and surrounded himself with a group of favorites who were permitted to control affairs of state and barter away the rights of the people, without corresponding benefit to them. Through the construction of railways and the development of other industrial enterprises, however, some prosperity ensued, but such more particularly served to benefit the concessionaires and the already wealthy landowners than the masses, to whose educational and social advancement no thought was given. At the same time while the cost of living rose rapidly, the pay of the wage-worker failed to increase correspondingly, the landed proprietors, sustained always by the government, dictating terms of employment. The tribunals of justice became a mockery, the judges for the most part, corrupt, and supinely obedient to the executive. Diaz himself in violation of his pledge to retire, procured his reelection and settled down, as he thought, to the enjoyment of six years more of power. Smarting under their exploitation by the conservative element and

without the lawful means of redress, the masses began to show signs of discontent, and, indeed, a purpose to resort to arms rather than to submit longer to conditions approximating abject slavery.

Madero and his followers believed that the first step towards practical reform was to limit the tenure of the presidency to one term, since the ills from which the country had so long suffered were manifestly due to the corrupt influences made possible only by the long-continued occupation of the office by General Diaz. With this and real popular suffrage, agrarian reforms could be enacted, and it was believed, the people would forthwith come into their own. But Diaz and his followers gave no heed to repeated warnings. The revolution of 1910 followed. Diaz retired; but before doing so and in order to check the reforms demanded by the people, he effected a compromise by which Francisco De la Barra, then minister of foreign relations, became provisional president, pending an election.

De la Barra, an uncertain character, lacked a positive policy during his *ad interim* administration. As a creature of Diaz, and intimately allied with the aristocracy and the corrupt element of the old régime, he limited himself merely to the discharge of the revolutionary forces, as a method by which he pretended that peace could best be established. On every hand he minimized the purpose and effect of the revolution, and sought to prepare a sentiment in favor of reactionary principles. The same men who surrounded Diaz and urged the continuation of his policies now returned to the country convinced that they were not to be prosecuted, and initiated a campaign against Madero and the aims of the revolution. It was during this period that efforts were made to concentrate public opinion in favor of General Reyes and even De la Barra himself, as candidates for the presidency against Madero. It was also at this time that the Clerical party, which since the downfall of Maximilian had shown no signs of life, was suddenly revived under the name of the Catholic party, and cast its baleful influence in favor of the discredited policies of the past. De la Barra, while he had received the government in trust, to be turned over to the revolution, did all possible to maintain himself in power and to avoid the advent of the new régime, thus demonstrating hostility to Madero personally, as well as to the reforms for which the revolution had been fought and won. Casting aside De la Barra as useless the reactionaries now proceeded along more cunning lines.

Madero once elevated to the presidency by means of a free election, his administration was quickly beset by intrigue and treachery on the part of this group who pretended to be his friends. Protesting an ardent and patriotic desire to forget the past and to coöperate in upholding the new government and its proposed reforms, they did so only to obscure their perfidious purpose of discrediting the latter and to cloak their treasonable intent to overthrow the constitutional chief magistrate. The conspiracy assumed such proportions that Madero, believing as he did in those who pledged their honor to his support, was rendered helpless for the time being in carrying out the program of the revolution. At this moment, with malevolent deception, the conspirators, assisted by a large group of corrupt officers of the army, struck the blow known as the insurrection of the Ciudadela, which offered General Victoriano Huerta, commanding general of the government forces, opportunity treacherously to assume the dictatorship of Mexico. The president and vice president were brutally put to death, and a reign of terror inaugurated that horrified the world. Such were the incidents that induced the Constitutionalist movement of today, a movement, that in reality, is naught save a continuation of the revolution of 1910, a movement that demands government by the governed.

While certain of the governors of states, and a majority of the military commanders accepted Huerta in the rôle that he had assumed, the governor of the state of Coahuila, Venustiano Carranza, refused to be cowed and boldly declared himself in opposition to the dictator and his so-called government, and with his state militia, commenced immediate operations for armed resistance. He was soon joined by others of prominence, governors of states, members of the national congress, officers of the army and professional men, as well as by thousands of artisans and wage-earners who saw in the movement of which he was spontaneously proclaimed the first chief, the only hope of restoration of constitutional government. Notwithstanding their inability to purchase arms and munitions of war in the United States, through much heroic sacrifice a respectable army soon was formed in the border states, which within twelve months, has now been so augmented and armed that it controls a respectable portion of the republic.

Under the leadership of Governor Carranza, the Constitutionalist forces now occupy Sonora, Sinaloa, Chihuahua, Durango, most

of Coahuila, Tamaulipas, most of Nuevo Leon, northern Zacatecas and a part of San Luis Potosi. Added to this, they control various parts of Guerrero, Michoacan, Hidalgo, Vera Cruz, Puebla and Morelos. Yet the men who have accomplished this military feat are artfully called bandits by those whose personal interests would be best served by the continuance of the Huerta régime. Bandits they may be, according to some advanced standard of military ethics of which I am ignorant; but if they are bandits, then I presume their accusers consider themselves fortified by the attitude of the British press, which, during the war for independence, so vociferously denounced Admiral John Paul Jones as a pirate, and three-quarters of a century later, described General Grant as a heartless butcher.

The average foreigner in discussing Mexico will tell you that the country needs the mailed fist to govern it, because, he will say, that in such quality of government lies the sole safeguard of life and property. That was why the mailed fist of Diaz made him popular among the foreign concessionaires and the favorites who surrounded him—the group that finally sapped his imperious will and made him their plaything. It was a government of this character that prevented the people from regaining the lands taken from them through fraudulent and corrupt means; that ever protected him who was willing to pay, in one way or another, for protection. Therefore, many foreigners at this time, overlooking entirely the Mexican point of view, and the moral issues involved, are disposed to favor any man who is “strong” enough to impose a peace that will admit a resumption of their profitable industrial operations. But the government of the mailed fist or the iron hand can never impose a permanent peace. Such a peace can be secured only through a proper adjustment of political, economic and social conditions. To that adjustment the reactionary element in Mexico is opposed, but the Constitutionalist party is intent on making it effective by armed force.

The real interests of foreigners, as well as those of Mexicans, can only be conserved by means of reforms calculated to promote the general welfare of the masses, and by maintaining an equilibrium between capital and labor. It would seem but natural, therefore, that foreigners, if they seek peace, should contribute towards the development of conditions that would insure a peace that would be permanent.

The purposes of the Constitutionalist movement, which seek to bring about a permanent peace in Mexico, are better defined than were the motives of the revolution of 1910. These purposes contemplate, not only the reestablishment of constitutional government, but the reformation of the constitution itself and a revision of the laws made under it, to meet, by practical means, the plain requirements of the situation. In sustaining this movement, which has now reached the dignity of a civil war, Governor Carranza has the support of a vast majority of the agricultural population, who have demonstrated a patriotic readiness, even eagerness, to sacrifice their lives and fortunes for the common good.

While the soldiers of the Huerta forces are unwilling conscripts, taken on the streets, or from the jails of the cities, those in the Constitutionalist ranks are volunteers, pure and simple, intent on fighting for principle rather than for pay. According to the latest advices by the intelligence office of the Constitutionalists, Huerta has but 55,000 men available for real service, despite his boast that he has 205,000 under arms. Carranza has not less than 50,000 well-armed officers and men in the northern states alone, and can count on as many more in the south, as soon as they can be better equipped. The desperate fighting at Torreon and vicinity is but typical of the intensity of purpose with which the Constitutionalists are animated. Their attacks against fortifications considered impregnable, and the desperate and successful assaults of their infantry, against a withering fire of artillery, serve to indicate their devotion to a cause which they believe merits the notice of all Americans who stand for law and liberty.

I have not overlooked, however, the fact that the Constitutionals have been charged by the press with many acts of violence and brigandage, of executing prisoners of war, of plundering captured cities, and the like. In discussing this matter I need only to allude to General Sherman's remark that "War is hell." But in reference to the charges so recklessly hurled against our troops, I desire to make a plea by way of confession and avoidance. While it is true that violence has been employed and houses sometimes sacked, though never to the extent charged, it is also true that those who have suffered were previously engaged in giving aid to the enemy. General Sherman and General Sheridan did not hesitate

to burn and pillage in their respective marches through Georgia to the sea, and through the valley of the Shenandoah. Throughout the enemy's country, at that time, railroads, warehouses, residences, buildings of all sorts and their contents, were ruthlessly destroyed, banks looted, livestock driven off for the use of the army, and the inhabitants, if not more harshly dealt with, left without even the bare necessities of life. It is true that certain captured officers have been shot by our forces as well as a class of deserters known as "red flaggers;" but these officers were among those who participated in the treason of February 9, 1913, and received the punishment imposed by law, in the precise manner as treason under similar circumstances is punishable in the United States. In respect to the execution of the "red flaggers," I have only to recall the hanging of fifty deserters from the American army, at San Angel, Mexico, in September, 1847, and the lashing and branding of some fifteen more, at the same place, by order of General Scott. Also, I might refer among other incidents, to the hanging of twenty-two prisoners of a federal regiment alleged to be deserters, by order of the famous General George E. Pickett in 1863. I merely mention these historical references to show that incidents of this character are not confined to the present struggle in Mexico. War necessitates stern and sometimes cruel measures.

In lieu of seizing the property of the inhabitants for the use of their forces, the Constitutionalist commanders pay for such in local currency redeemable hereafter in gold equivalent, and at present accepted by merchants and banks at twenty-eight cents to the gold dollar. It is also accepted by the authorities in payment of taxes of all kinds, thus greatly lessening the burdens of the people which they continue so cheerfully to bear. Meanwhile, the bullion derived from export duties on the precious metals is being coined into pesos, and also placed in circulation.

It is well to note that throughout the territory occupied by the Constitutionalist forces, excepting where active military operations are in progress, the people are pursuing their usual avocations; the fields are tilled; the mines are being worked; factories are in operation, and merchants are buying and selling as in time of peace. This is notably so in Sonora, where no semblance of the Huerta régime exists, save for a small garrison at the port of Guaymas, protected

by strong fortifications and by warships in the harbor. Almost similar conditions prevail in Sinaloa and will very soon be extended to Chihuahua, Coahuila, Nuevo Leon and Tamaulipas.

Contrary to current reports that certain of the estates belonging to the great landowners have been confiscated by the Constitutionalist authorities, the fact is that no such action has been taken, though, as a military measure some of them have been provisionally seized and the proceeds devoted to the maintenance of the troops, and towards aiding the poor. The Constitutionalist program does not contemplate summary confiscation or partition of estates of this character, such as for instance the Terrazas holdings in Chihuahua. Questions of such gravity, directly involved with the great agrarian problem, the first chief insists must, upon restoration of the Constitutional order, be submitted to the Congress for determination. In respect to the attitude of the Constitutionalist party towards concessions, it is safe to say that when such have been granted in strict accordance with the law, and when all the requirements of the latter have been fulfilled by the interested parties, their rights will be respected; but when concessions are, however, tainted with fraud or corruption, then it is equally safe to say that their legality will be tested.

It may not be improper for me to refer at this time to the relations between Americans and natives in Mexico. Some of the press would have the public believe that there exists a sentiment of underlying hostility towards Americans, and that in consequence, many of them have been killed and their property destroyed or stolen. This is untrue. Throughout the country Americans are held in higher esteem than any other class of foreigners, and the laborer will invariably seek employment from them rather than from Europeans, not because they pay higher wages, but because of their reputation for fair treatment; and I venture to assert, on the highest authority, that since this war began, not one American citizen has lost his life because of his nationality. Some have been killed in personal quarrels and bar room brawls, such as take place daily in New York, for instance; some have been killed because of their presence in the line of fire during engagements, and some have been murdered by thieves. But, I repeat that no persons have been killed because they were Americans. The Constitutionalist, I may add, entertain a deep appreciation of the kindly sentiments that their cause

has awakened among the thoughtful people of the United States to whom treason was ever odious, and to whom constitutional rights are so dear. We appreciate, too, the spirit of fairness that led the President to raise the embargo on the exportation of arms and munitions of war, and if we have not demonstrated our gratitude, it is because there has been no fitting opportunity to do so. Nor have we Mexicans forgotten Seward and the degree of moral support he gave President Juarez in his noble struggle for democratic government against the reactionaries who sought to impose on Mexico a monarchy, the same reactionaries who now so strenuously seek to sustain Huerta in his unbridled career of usurpation.

There has been much talk of intervention, but there is no more need of it in Mexico today than there was half a century ago in the United States. We are confronted with a great problem now, as you were then. Our problem must be settled by Mexicans, as yours was settled by Americans. I regard suggestions favoring intervention as emanating mostly from those interested in the restoration of dividends rather than in the restoration of peace. Such was certainly the case in 1862-1863. And I am happy in the belief that the majority of public men are of the same opinion. When peace comes, the government of Mexico, following the example of the United States, will meet all obligations imposed on it by international law in respect to losses suffered by foreign citizens and subjects. To this, the Constitutionalist government has already pledged itself.

As the war progresses and as the Constitutionalist forces, increasing both in number and power each day, press their campaign upon the city of Mexico, there will be heard suggestions of compromise, the selection of some personage not identified with either side, to assume the presidency pending an election, or maybe, the establishment of a government by commission or *junta de gobierno*, or some other suggestion discreetly calculated to delay or avoid the establishment of the headquarters of the victorious army in the national palace as a prelude to the restoration of constitutional government. Indeed, the influence of certain of the European powers may be exerted to this end. Save in the days of Juarez, practically every revolutionary movement in Mexico intended to wrest the control of the government from the clergy and the aristocracy has, with victory in its grasp, failed in purpose because of some cunningly devised compromise. Such was the cause of Madero's downfall—

his temporizing with the reactionaries—by which bitter experience the Constitutionalist cause will nevertheless profit. Therefore, no suggestion of compromise with an element identified with the treacherous overthrow of constitutional government, can or will under any circumstances be considered. That element must be crushed, and those who have directed its destinies must answer before the law for their crimes. Such is the unalterable determination of the first chief of the Constitutionalist forces, in which he is supported to a man by his subordinates, and the present war will not, therefore, cease until this end, of such transcendental importance to the future, is assured. Then there must be a period of national purification and house cleaning, to be followed by the election of members of a new congress, which body upon its organization will, in accordance with the constitution, fix the date for the election for a president and vice-president. This done, and the successful candidates inaugurated, constitutional government will once more reign supreme. But, meanwhile, Mexico will be governed in a manner prescribed by the first chief of the Constitutionalist forces, and not by a compromise provisional government like that of De la Barra. No compromise means as much to the people today as the old cry of “liberty and constitution.”

NOTE. *This paper was submitted to the Academy April 3, 1914.*

THE DUTY OF THE UNITED STATES TOWARD MEXICO

BY FRANK W. MONDELL,

Member of Congress, from Wyoming.

Our relations with the government and the people of Mexico are controlled and affected by three somewhat distinct elements of relationship and obligation. They are:

Primarily, the reciprocal duties and obligations incumbent on all civilized nations and enjoined by international law and usage.

Secondly, those duties and obligations, and the problems they present, as affected by the fact that we are Mexico's only important immediate neighbor and, as secretary of foreign affairs, Gamboa, puts it, "Mexico's nearest friend."

Finally, those duties and obligations as enlarged by the responsibilities we have assumed under the Monroe Doctrine.

The maintenance of a correct attitude toward the government and people of Mexico is rendered the more difficult by reason of the fact that our proximity to Mexico tends to make our border people partisans in case of civil strife in that country, and multiplies the opportunity for, and the likelihood of, losses and injury to our citizens and their property under unsettled conditions. On the other hand this intimate relationship and the responsibilities we have assumed under the Monroe Doctrine, as applied to Mexico, increase the importance of the maintenance of a correct and defensible attitude in our dealings with that neighboring state.

A brief résumé of recent occurrences in Mexico may aid in elucidating the character of the problems there and our relation to them.

The unfortunate Madero revolution started from our border. The Diaz government which it overthrew had, in my opinion, abundant ground for criticising our failure to exercise proper precaution to prevent the hatching and launching of revolutionary movements aimed at the life of a neighboring friendly power. However that may be, the revolution was successful and was promptly recognized by our government. But the Madero government was destined to be short-lived. Undermined by plots and conspiracies and overpowered in

the seat of government, President Madero was forced to resign and Huerta was proclaimed as provisional president two weeks before the close of the Taft administration.

For more than a year the government, of which Huerta is the head, has exercised practically unchallenged jurisdiction over twenty-three of the thirty-one political subdivisions of Mexico, including the capital city, covering more than two-thirds of the territory and three-quarters of the population of the republic.

That government has, in the main, maintained order and protected life and property in the extensive and populous regions under its control. A very large portion of this territory has at no time been seriously disturbed, and the orderly processes of civil government have been but little affected by the civil strife which has been in progress elsewhere.

The government of Mexico under Huerta has long been recognized by most of the powers of Europe and has apparently faithfully endeavored to fulfill its international obligations. The attitude of this government toward our own, even under the trying conditions we have established of unofficial communication through various intermediaries, has been straightforward, frank, and remarkably free from ground for criticism.

The conspiracies and conflicts which preceded the inauguration of the government of Huerta, the lamentable assassination of ex-President Madero which stained the first days of its establishment occurring, as these events did, but a few days before the close of the Taft administration made it incumbent on the outgoing, to leave the incoming administration free to deal with the situation unembarrassed by prior act of recognition.

The new administration adopted an attitude which the President later referred to as one of "watchful waiting." How watchful it was must remain a matter of opinion—that it was one of waiting cannot be disputed.

But this attitude of "watchful waiting" was not maintained down to the time when the President so characterized the attitude of his administration. The policy of our government was substantially modified when the President sent John Lind as his personal representative to, as the President phrased it, "those who are now exercising authority or wielding influence in Mexico."

This mission modified our attitude from one of "watchful wait-

ing" to one of energetic advice, or meddlesome interference, depending on how one views it. The unusual nature and remarkable character of the demands made were very forcibly pointed out in the spirited reply of secretary of foreign affairs, Gamboa. The declaration by those "exercising authority" in Mexico of the impracticability of fully acceding to the President's demands was followed by another period which might, perhaps, be properly called "watchful waiting." This, however, did not long continue.

A radical change in our attitude was clearly indicated by the President's message delivered to Congress December 2, 1913, in which he declared in effect that the government exercising authority over the major portion of Mexico would never be recognized, or dealt with, by our government so long as Huerta was at the head of it, no matter how extensive its authority or control might be, because he said this is a military despotism and we are the friends and champions of constitutional government in America. One will search the annals of American history in vain to find such a note of personal prejudice and individual ill-will toward the head of any government as is found in the language with which the President makes these declarations and in which he predicts the downfall of what he calls a "precarious and hateful power."

Some time after the delivery of this message of the President, the predicted overthrow of the Huerta government not having occurred, the embargo on the shipment of arms into Mexico was raised with the explanation and declaration that there now existed no constitutional government in Mexico entitled to the benefits of that embargo.

Up to the time of the dispatch of John Lind with his very extraordinary instructions to "those exercising authority" in Mexico our attitude, while open to criticism as to its wisdom, was undoubtedly not censurable from the standpoint of international usages. The demands contained in Mr. Lind's instructions upon those "exercising authority" in Mexico did, however, unquestionably establish a new precedent in our international affairs; while the declarations contained in the President's December message, to which I have referred, involve a radical departure from the past policy of our government in dealing with the republics on this continent.

One of the primary obligations resting upon civilized governments is to abstain from meddlesome interference with the internal and domestic affairs of other nations. It is true we are the friends of

constitutional government, we are also its champions as the President states, but we are under no obligation, and have no right or authority, to determine what constitutes constitutional government in other countries. On the contrary we are bound by our international obligations, while favoring the establishment of governments which we deem to be constitutional in form, to recognize such governments as foreign peoples may establish, maintain, and give their adherence to.

We are certainly getting on dangerous ground when we in effect declare that we shall refuse to have official relations with any government, no matter how well established or long maintained, unless it be a constitutional government according to our interpretation. When we further assume the right to pass not only on the legitimacy of governments without regard to the extent, character, or permanence of their authority, but to dictate who shall preside over them, we have assumed an international task that will keep us very busy and much embroiled in the future.

Our national policy in the recognition of governments has been well defined and uniformly adhered to.

In 1830 Secretary of State Van Buren, wrote to Mr. Brown, our chargé d'affaires to Brazil as follows: "Your business is solely with the actual government of the country where you are to reside, and you should sedulously endeavor to conciliate its esteem and secure its confidence. So far as we are concerned that which is the government *de facto* is equally so *de jure*."

The government of Juarez in Mexico was recognized by President Buchanan, though not in possession of the capital, on the ground that it was "obeyed over a large majority of the country and the people."

President Pierce, in a message to Congress of May 15, 1856, relative to the situation in Nicaragua, said, "It is the established policy of the United States to recognize all governments without question of their source or organization, or of the means by which the governing persons attain their power, provided there be a government *de facto* accepted by the people of the country."

Secretary of State Evarts, in a letter written in 1879 to our representative in Venezuela, Mr. Baker, stated that recognition of a government did not depend on its constitutionality; that as our international compacts and obligations were with nations rather than political governments we should be watchful lest our course toward a government should affect our relations with the nation.

In 1899 Secretary Hay authorized our minister to recognize the government of Castro in Venezuela "if the provisional government is effectively administering government of nation and in a position to fulfil international obligations."

Mr. Hill, acting secretary of state, in a letter of September 8, 1900, to Mr. Hart, United States minister at Bogota, stated that it had been the policy of the United States for more than a century, "to base the recognition of a foreign government solely on its *de facto* ability to hold the reins of administrative power."

These are a few of the many declarations by our government of our policy to recognize a government fully established exercising control over the major portion of a nation and disposed to meet its international obligations.

The Italian historian, Ferrero, in a recent review of the Mexican situation, characterized our present attitude toward Mexico as one of masked or indirect intervention, an attitude he said that was accomplished "by giving support to one of the two parties at war, generally the weaker one." In the present case this masked or indirect intervention has been accomplished by giving aid and comfort to every foe of law and order in Mexico, like Zapata, and every enemy of those whom the President has recognized through Mr. Lind as "exercising authority" in Mexico. It has been done by withholding recognition from the Huerta government, by demanding its virtual overthrow, by continued official prediction of its early downfall and, later, by encouraging the sale of arms and munitions of war to its enemies.

These acts are of a character which might easily prompt reprisal on the part of the Mexican government. As a matter of fact, however, they have apparently failed to affect or disturb the very proper attitude of that government toward ours, or to change or modify its disposition and purposes to protect, as far as possible, our citizens and their property in the regions over which that government exercises jurisdiction.

I realize that the American people are not at this time particularly concerned as to the propriety, according to the usages of international intercourse, of the acts and attitude of our government toward the government and people of Mexico. I doubt if they are particularly solicitous over the question as to whether or no the attitude of the administration toward the government of Mexico, in indirectly intervening in favor of its enemies, may be a straining of the authority of the President in dealing with international affairs.

An overwhelming majority of the American people are, however, sincerely anxious to see peace established and are earnestly solicitous to avoid the necessity of armed intervention in Mexico. They have therefore a lively interest in knowing whether the attitude of our government toward Mexico is one calculated to aid in establishing peace and averting the necessity of intervention.

In a speech I delivered in the House of Representatives on Friday, February 27, 1914, I said:

I am persuaded that the acts and attitude of our government have had the effect of prolonging and extending the lamentable condition of appalling disorder and distress which prevail in Mexico; that a continuation of our present policy, or lack of policy, tends to retard indefinitely the establishment of orderly conditions and constitutional government and will, eventually, if persisted in, compel armed intervention, with its inevitable horrors and calamities.

Let us examine the situation for a moment with a view to determining whether the views thus expressed are well founded. The President, in his message of December 2, said: "Mexico has no government" and declared that General Huerta, who is exercising an authority which the President himself has recognized must surrender that authority. It is true that if Huerta were to eliminate himself from the affairs of Mexico and some one else were to take his place whom Zapata, in the South, and Villa, Carranza, and other lesser chieftains in the North would all acknowledge and give loyal adherence to, and no other aspiring revolutionary chieftain appeared, the miracle of thus establishing order might be accomplished.

Such an arrangement would still leave our administration confronted with the embarrassment its recently announced doctrine, relative to constitutionality, would present. Assuming that difficulty could be overcome no one familiar with the situation has the slightest notion that such a program of general conciliation and unanimous self effacement on the part of the rival leaders could be carried out. There can be no doubt in the mind of anyone who has followed the developments in Mexico but that the warring leaders and factions must, some of them at least, be eliminated or persuaded by force before there can be a full restoration of peace.

Assuming that the demand of our administration for the overthrow of Huerta and the government of which he is the head is accomplished by the united forces of the so-called constitutionalists in the

North and the outlaw Zapata in the South, is there any ground for hope that in such a contingency order and constitutional government would be speedily established in Mexico?

Is there anything in the character or past record of the so-called constitutional chieftains to justify the expectation that they could or would attempt to establish a government which would meet its international obligations, or be satisfactory to the majority of the people of Mexico? One must be sanguine indeed who can bring himself to believe that the people of southern and central Mexico and the strong and influential men of the nation, the vast majority of whom now give at least nominal adherence and support to the government of Huerta, would approve or support a government established by the joint efforts of Villa and Zapata even though presided over by so well intentioned an individual as Carranza is reported to be.

Our quite general approval of the unfortunate Madero, our abhorrence of the manner of his untimely taking off and our natural and proper disposition to hold those at the head of the Huerta government responsible for that act inclined our people to approve, for a considerable period, the withholding of recognition, the refusal officially to recognize the Huerta government. The time came, however, when the refusal formally to recognize a government, for the time being at least, firmly established, widely supported, reasonably fulfilling, or attempting to fulfill, its international obligations involved not only a complete reversal of our national policy but a surrender of the only adequate means of protecting our citizens in Mexico and their property and of fulfilling the obligations we have assumed under the Monroe Doctrine, toward the property and citizens of other nations.

It is not only not denied that our refusal to recognize the government of Mexico under Huerta has greatly handicapped that government in securing the means for restoring order throughout the republic, but our administration has gloried in that fact and prophesied the early downfall of the Mexican government as a result. Our attitude therefore has confessedly lengthened the period and increased the violence of disorder in Mexico. If the present government in Mexico be not a constitutional government the extension of its authority over all of Mexico would not make it so. When, however, we compare the very general protection of life and property which has prevailed in the territory controlled by the Huerta government with the confiscation, plunder, murder, rape and rapine which have, in many localities, char-

acterized the victories of the opponents of that government we shall find abundant ground for the belief that our duty to aid and encourage the establishment of peace and order in Mexico would have been better performed had we taken the usual course of recognizing conditions as they are, the Mexican government as it exists, and holding it responsible for the protection of life and property throughout the republic.

No one familiar with the situation in Mexico believes it possible, out of the conditions of turmoil and disorder which now exist there, to bring at once a government of unquestioned constitutionality, perfect in its aims and personnel. Only a strong arm and a determined purpose can establish order there. If we persistently use our influence to weaken the strong arm of the government and to encourage further revolution we are following a path which will inevitably lead us to the point where we must be the strong arm which restores order. Our present attitude therefore is one which leads to intervention as certainly and inevitably as though it were thus planned and purposed.

The only way in which we can hope to perform our duties and obligations reasonably and avoid intervention in Mexico is to cease giving aid and comfort to the guerrilla forces, the outlaw chieftains, the well-meaning figure-heads of revolution, masking under the guise of constitutionalism, and return to the usages of international law and our long established policy and look to the government which is in authority to establish order and protect life and property.

MEXICO¹

BY AUSTEN G. FOX,

New York.

Its problem. Out of what does it arise? Does it arise out of an absence of a constitution? No, because Mexico has a written constitution, which, upon its face, is fair enough to look upon. Must not the problem arise, therefore, out of the characteristics of the people that make the constitution ineffectual for order?

How does it happen, then, that Mexico's problem has become the problem of the United States? Mexico threatens no invasion of the United States. The concrete problem for the United States must be shall we invade Mexico? We are not asked by Mexicans to invade their territory. If we go, we must go with arms in our hands, and we must intend to use our arms. In short, we must go with the purpose of killing, or maiming those who choose to defend their country against our invasion. Call this intervention, or any other name that we prefer. In fact, it is war, with all that is implied in the term, in a country, larger than France and inhabited by fifteen or twenty millions of people.

When we decree intervention, we declare war, and that means victory, or defeat to our arms. Let us discard the possibility of defeat, and assume victory. It must be a complete victory, however, and how long must we wage war before our rule shall be complete? Who can tell, how many of our best must fall in order to establish our rule? The waste and cost in material, who can estimate? Who knows, today, the cost of subjugating the Filipinos?

When we shall have put Mexico under our feet, what then—what next? Are we to retire, or are we to stay? It must be one or the other.

It we retire, what shall we have accomplished? Will bayonet thrusts in our victims have implanted in the breasts of the survivors that national character and capacity for orderly government, the absence of which is at the bottom of the present disorder in Mexico?

¹ Remarks as presiding officer of the session of the Academy, Saturday morning, April 4, 1914.

War, whether we call it a war of reprisal or primitive expedition, or any other name, is seldom of educational value in fitting the losers for self government. If, therefore, we retire at the close of hostilities, to what result can we point, except that of slaughter and increased taxes?

There is but one alternative, and that is permanent occupation of Mexico by our troops and its government from Washington. It will be easy enough for us to go in, but it may, at least, be impossible to get out, except accompanied by the confession that the so-called Mexican problem remains unchanged. In short, how can we expect successful warlike operations in Mexico to raise the political character of its people? Neither political nor social uplift, as it is fashionable now to call it, is one of the results of the destruction and desolation of war.

We must, therefore, ask ourselves this question: Are we so free of problems of our own that we are ready to take up the burden of establishing through war a stable government in Mexico, and of maintaining it for a period which none can measure, at a cost which no one can approximate?

This is no time for disturbing the peace we now enjoy.

We are told that there are twenty thousand Americans in Mexico and we know that the Southern Pacific Railway Company, the Standard Oil Company and other corporations, as well as individuals, have large investments south of our border. When we find pressure brought to bear upon Congress, or upon our President to begin a war with Mexico, may we not inquire whence the pressure proceeds? Who will be the beneficiaries, if Congress, or the President yields to the pressure? Among the men who will be called upon to lay down their lives in the event of armed intervention, will there be found any one who now clamors for the protection of so-called American interests?

What evidence have we that the American people insist upon a departure from the policy of letting other peoples work out, in their own way, their own political problems? Some there are who say that the President ought not to have done this, or that, or ought not to have done one thing, or another.

Two things, however, he has done, is doing, and may be trusted to continue to do.

He has stood, is standing and we know he will continue to stand for the keeping of public faith pledged by solemn treaty, unshaken by appeals to escape from the common sense meaning of the plain English of our contracts.

We know that we may look to him, with unwavering faith, as one who will act as the trustee for the peace and welfare of the whole people of the United States ready to undergo obloquy if need be, in his unalterable determination that no act of his shall deprive our nation of its right to continue to work out its own great problems and to perform its obligations in peace with the world and particularly with its neighbors, north and south.

Non ponebat enim rumores ante salutem;
Ergo magis magisque, viri nunc gloria crescit.

MEXICO AND HER PEOPLE

BY ALFRED BISHOP MASON,

New York.

Some years ago, there was current at Harvard an excellent jest. Though it was at the expense of Yale and though I am one of Yale's loyal sons, I must admit the humor of it. The Harvard question was: "What is autobiography?" and the Harvard answer was: "Autobiography is any Yale man talking." Yet, to justify my speaking on Mexico to an audience like this, I must perforce weave a few bits of personal reminiscence into the web of my talk. And it is sometimes true, as Thackeray says, that the capital letter "I" is the straight line that measures the shortest distance between a speaker and his hearers.

A dozen years ago, when I was building a little railroad from Vera Cruz to the Isthmus of Tehuantepec, the government of Porfirio Diaz was not corrupt. It was white and pure. For each 31 miles of railroad built, there was a subsidy of \$800,000 in government bonds. To get them, I had to have a certificate from a government engineer that the road was built in accordance with specifications and a certificate from a government accountant that my books, accounts and vouchers were in proper shape. Engineer and accountant each had a salary of \$1,500 per annum. If, under similar conditions, I had been building recently a highway in the state of New York, what would I have had to pay intermediaries, engineers, officials, bagmen and friends of the powers that be—no, thank God, the powers that were? In Mexico I never paid a penny and was never asked to pay a penny of blackmail, commissions or graft. My experience was that of other Americans. It justifies me, I think, in saying the Diaz government was then pure. It is said that as he grew older, he became a tool of younger men who were grafters. I doubt this, but I do not know.

His government was arbitrary, of course. Most of my 300 miles of railroad were built through a sparsely settled country, where crimes of passion were rife and where theft was a fine art. I asked Diaz to send me some rurales. They were the state constabulary of

Mexico. A dozen of them arrived. The lieutenant in charge came to my office to report the arrival. He saluted, explained his errand, and enquired: "Señor Mason, whom do you wish killed?" He was clearly disappointed at not receiving a list of people to be shot offhand. It was interesting to hold the power of life and death in my hands, but I really could not think at the moment of anybody I wished to kill. A fortnight later, sitting in my car at the end of track, I saw a sergeant of rurales riding by with three troopers, each with a rope around the pommel of his saddle, each rope fastened about a plodding peon. The procession was closed by a sobbing woman. I hailed the sergeant and asked for an explanation. It seemed that one peon, whom we will call A, had quarreled with B about the woman. So A hired C to kill B, paying him his price, a whole peso, 50 cents in our money, in advance. C did not know B by sight. So C hired D for a quarter of the peso to point out B. This done, C knifed B. The rurales had gathered in A, C and D and the woman in the case. "We are taking them to jail, Don Alfredo," said the sergeant. The jail was many miles away. Within half an hour, the rurales came back. "Where are your prisoners?" I asked. "They tried to escape and we shot them." This is the well-known Mexican *ley de fuga*—the law of flight. Prisoners are troublesome and expensive. They are taken into the brush and shot. The *ley de fuga* is the stereotyped explanation.

Again, about 1900, a tribe of mountain Indians killed some prospectors looking for mines because they thought they were surveying their lands. Experience long since taught the Indians, who hold their lands in common, that a survey has as its sure sequel a seizure. These particular prospectors were working under a government concession. Diaz sent a regiment into the mountains. It captured, bound and shot, without a trial, nearly 1,500 Indians, practically all the adult males of the tribe. Not a word of this got into the papers.

Again, the governor of the state of Hidalgo was asked to resign by Diaz. He refused. Nothing happened for a few months. Then at dawn the governor was awakened by a spruce aide-de-camp who offered him a blank resignation to sign. When he demurred, the aide took him to the window and showed him a battery in front of the palace, infantry around the palace, a cloud of cavalry behind the infantry. The governor signed. The brigade melted away as silently as it had come. The papers said nothing.

Elections have always been a farce. A friend of mine sat as a congressman from part of Yucatan for 20 years. He was never in Yucatan and could not tell me the boundaries of his district. All he knew was that every two years he received word from Diaz that he had been elected again. I had been a resident of Mexico a very short time when I received an official notice to vote at a national election. I went to the polls. There were two policemen at the door of the room, three men in frock coats and silk hats within behind a table which held a ballot box. Not a voter was in sight. I explained that I had received the notice, but that I was an American citizen and had no right to vote. "If you wish to vote, señor," said the chairman, "it will give us the utmost delight to have you do so."

There is no middle class in Mexico. From the great land-owners with their retinues of lawyers, agents, favorites, you take one long step downwards to the small, the very small, retailer and the peon. Wholesale business and public utilities are in foreign hands. The peon mass in the north has been leavened by the return there of many thousands of Mexicans who have come across the border, working on railroad and other jobs, as far north as Minnesota, but southern Mexico is still sunk in the apathy of the ages.

There is no public opinion in the country. Diaz was a benevolent despot, supported by the feudal lords who owned the land, the land barons of Mexico. I asked the president once why he did not apply the single tax and so break up the large estates. "It must be done some day," he replied, "but one of my successors must do it."

These lords of land were lords of life as well. Terrazas owned 40,000,000 acres in Chihuahua. That is nearly one and one-half times the size of Pennsylvania. He was supreme ruler of that great state of Chihuahua, whether he, or his son-in-law Creel, or one of his sons, or some retainer of his was nominally governor. The police, the rurales, the alcaldes, the courts did only what he directed, were simply registering machines of his decrees. He used to be major-domo of a Señor Martinez del Rio, whose great estates, confiscated because he supported Maximilian, fell into his major-domo's hands. Del Rio's son told me he had saved a remnant of his father's lands from Terrazas's clutch. "How much is this remnant?" I asked. "Barely five million acres," was the reply. That is nearly one fifth the size of Pennsylvania.

Mexican labor, fairly energetic when paid by the piece, slow

beyond all dreams and nightmares of slowness when paid by the day, is in every case unsatisfactory because it is intermittent. Here a laborer toils for one of two reasons, either to advance himself or to avoid being discharged. The peon has no wish to advance and if you discharge him he is rather grateful to you for having saved him the trouble of making up his own mind to stop work.

We misunderstand the Mexican, of course. The Spaniard is far more difficult than any other European for the Anglo-Saxon to understand. Mr. Rives, in his monumental book on *The United States and Mexico*, suggests that this may be because the Spanish blood has an Afro-Semitic base, with a strong Moorish intermixture afterwards. He quotes one ethnologist as saying that a Spaniard resembles the son of a European father by an Abyssinian mother. Be this as it may, the man was right who said: "Three deep gulfs divide mankind—age, sex and race. And of these the deepest is race."

Of one most beautiful Spanish characteristic, courtesy, we have scant share. The average American in Mexico behaves like a cad, with vulgar disregard of well-nigh sacred customs he cannot appreciate and of a delightful and stately courtesy he cannot approximate. Nor is it only the average American who so disports himself. When the second Pan-American Conference was held in the city of Mexico, Mrs. Diaz gave a *fête* at Chapultepec for the delegates and others. It was a scene from fairyland. I was talking with her when at her elbow the president's chief aide-de-camp said to the chairman of the United States delegation: "Senator, supper is about to be served and the President would like to have you give your arm to Mrs. Diaz and lead the way." "Well," said the old man, looking at his watch and closing it with a snap, "tell the President I'm much obliged, but its gettin' late and I'm goin' back to the hotel now. Come along, Mother." And thereupon he and his wife departed, without even saying good-bye to the President's wife.

The fundamental question in Mexico is the land question. The Mexican revolution will never be settled until it is settled right—by giving back to the people the land of which they were despoiled nearly four centuries ago. No statute of limitations runs against the right of men and women to free access to land. Those of you who are not single taxers may well weigh that pregnant fact. Its offspring may some day astound you. The three great forces, stronger

than laws or constitutions or armies or privilege, are men's hunger for food, men's hunger for women, men's hunger for land. Until the peon has an opportunity to get his 10 or 20 hectares of land, the peon will not be at peace.

What is there for the United States to do? Simply to watch and wait. It is weary work, this waiting, but as a great captain of industry once told me: "Waiting is the finest of the fine arts." Professor Patten's able argument in favor of our intervening because Mexico is not an industrial unit and our breaking it up into smaller states which are industrial units fails to convince me. Mexico is much more of an industrial unit than the United States were up to 1865. If economic forces are to break it up into smaller units it is still neither advisable nor right that those forces should be pricked into activity by American bayonets. We can occupy any part of Mexico we choose, at much cost of life, more cost of money, a colossal cost for pensions thereafter, and a terrible cost in the awaking of the devilish war-spirit which debauches a nation and its politics for a generation. When we have occupied it, what then? The French went where they would in Mexico, but whenever a French garrison marched out of a Mexican city Maximilian's rule ended in that city. The witty Pierre Bonaparte said of Napoleon's Mexican experiment: "My cousin is finding out that you can do anything in the world with bayonets except sit upon them." If we occupy Mexico, we shall simply sit upon our bayonets. Let us still watch and wait. Emerson says every institution is but the lengthened shadow of some stout and resolute person. Some day some stout and resolute person will rise from the southern welter, put the Mexican people back upon the lands of Mexico, and then—not till then—will there be abiding peace in that great country.

A REVISION OF AMERICAN POLICIES

By SIMON N. PATTEN, Ph.D.,

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In every age and nation two conflicting forces are active in determining national policies. One of these is the national sentiment generated in the past, which in connection with social tradition tends to perpetuate old and often useless policies. The other force is the commercial needs upon which present national prosperity depends. In our national history both of these forces have been active and each in turn has been dominant.

During the period of the American Revolution, sentiment prevailed over interest, while in the period of constitutional development commercial interests were dominant. Both sentiment and interest played a part in the great Civil War, but interest was the chief motive and it in the end determined the course of events.

Today we are entering a new epoch in which interest and emotion again conflict. The national policies of the preceding century have evoked the emotions that at present are dictating our foreign policy. It is equally plain that a new group of commercial interests have arisen creating an opposing force as great if not greater than that which in our early history gave rise to the desire for a constitution. We should therefore contrast these two forces and see where their opposition lies and in what way the two can be adjusted without too great a break in the national policy.

American sentiments are in the main aggregated around five principles: the Monroe Doctrine, local independent states, Anglo-American unity, foreign complications and a paternal attitude on the part of the nation towards the smaller states to the south. These sentiments developed during the earlier epoch of isolation when commerce was internal. There were then no great interests to counteract in foreign affairs the sentimental opinions generated by our earlier history. When we expanded we did so by annexation and thus brought within the nation the various parts of the continent commercially valuable to us. In this way national and race homogeneity was preserved and those foreign complications avoided

which might easily have created trouble. A new commercial situation, however, has arisen, which demands the development of a foreign policy based on the same elements that up to the present time have created our internal demands and interests. Under the old condition our industries were in the main local. Wheat, meat, corn and cotton were our great products, and they could all be produced within our borders. The old theory of social progress assumed that national and race vitality could be found only to the north of the frost line, and that the nations to the south were bound to be defective and dependent. All this has changed in recent years through the increased control of disease and the spread of better industrial conditions to southern regions. The center of civilization at the present time is 15 degrees south of what it was a century ago. As good a civilization can now be maintained on the 25th degree of latitude as formerly on the 40th.

In addition to this, radical modifications in our diet have taken place by which southern foods have become important—so important that they are today as vital an element in our diet as are the older products of northern regions. Sugar, fruit, rice, bananas and other tropical plants have now become an essential element in our food supply and only through further development of these products can a low cost of living be restored. At least one-third of the national diet should be obtained from regions south of the 25th degree. This means that they must be obtained in regions beyond the present limits of the United States. The only way, therefore, to reduce the present cost of living is the utilization of this great region for the production of foods for which they are best fitted. It is no overestimate to say that if these changes were effected a reduction in the cost of living of 30 per cent could be made. This is important to eastern cities which can more readily obtain their food from southern regions than from the western states. It is also of importance in places where immigrants from southern Europe live. These races are used to a vegetable diet and will therefore more readily adjust themselves to southern foods than will older northern races.

These changes, therefore, mean the transference of industry from chilly New England to the sunny South and from the lakes on the north to the gulf on the south. The present advantages of the region from Philadelphia to Charleston are 20 per cent greater than those to the north, and a shift of population and industry must take

place which will bring the center of American civilization within this region.

Another element of importance in deciding future policies is the change in social morality now taking place. Formerly people limited their responsibilities to their family, their locality, their state or at most to their nation. They felt responsible for what took place in their own town as opposed to other towns; to their neighborhood as opposed to other parts of the city. They thought that crossing some artificial state line relieved them from responsibility for the people on the other side. This provincial tone is now disappearing. We are beginning to realize that we are as responsible for what takes place in the slums as for what takes place in our own families, for what takes place across the river as well as in our own ward or city. National responsibilities are correspondingly changed, for our moral interests lie quite as much in what is outside of the artificial limits of the United States as in what takes place within them.

Social responsibility goes with trade. We control the lives and morality of those who supply us goods or furnish us with service, and this responsibility is quite as great if the individuals who serve us live in a foreign land as if they are in parts of our own city or as members of our own family. It has been often asserted that trade follows the flag. It might be better said that moral responsibility follows commerce. There is no way of avoiding this larger responsibility except by narrowing our moral horizon and rendering less effective the principle of social service to all mankind.

Let me make clear the principle involved. In primitive communities each locality is industrially independent, creates its own supply of food and satisfies its own wants. This simple economy of our forefathers is disturbed by the introduction of larger industrial units. The laborer now loses his industrial independence; he must go where capital is and have his situation determined by its needs. The laborers in Philadelphia are not there because they desire it; they are there because they are dependent upon capital for employment, and the capital finds its location in Philadelphia. Whenever this disturbance takes place, the community becomes from that time responsible for the laborers' condition. They are where they are either to create a higher return on capital or to create lower prices for consumers. The capitalist and the consumer, therefore, become socially responsible as soon as they take labor from its

natural environment and put it in places where it satisfies the wants of the community at large.

Under these conditions it is shortsighted to assume that responsibility ceases at the crossing of political lines. The real question is, Have you as a result of your altered consumption or from your desire for a larger income forced laborers to move from their accustomed environment to surroundings where they serve your ends? If so, your responsibility is met only when the condition of the laborers is brought up to the normal level of the community.

In the copper region of Michigan, for example, many laborers have been aggregated to satisfy the wants of the nation and to secure profits to the owners of the mines. Neither mine owners nor the consumers of copper goods can disclaim responsibility for the evils existing in this region. They have created the conditions under which the laborer lives and must accept responsibility for the laborer's welfare. Our country and the world at large have many such problems. It means a moral responsibility on the part of any community or class that has disturbed the natural conditions under which laborers have existed by forcing them into a new environment where their independence is subordinated to the general good. Exploitation and degradation are the results of these changes, unless a moral awakening on the part of the community brings to the dislocated population a return to their earlier social independence.

The first question, therefore, to ask concerning the region to the south of the United States is, Have we dislocated their industries? Has Mexico been disturbed by the demands of foreign consumers or foreign capitalists? If this is so, then the various commercial or national groups creating this dislocation are responsible for the disorder, confusion and misery prevalent in Mexico. It is not constitutional rights that we should uphold. Rather should we see that the conditions on which an industrial civilization depends are realized in Mexico. These conditions may be divided into three groups: political rights, economic principles with the resulting social responsibility and social ideals that are a consequence of our civilization.

I shall not attempt to formulate our political rights nor the principles of constitutional government that have followed their application to national life. It is, however, important that the economic principles and the social emotions of our civilization should

be formulated so that we can see our responsibility and recognize what are the real motives prompting our action towards other classes or races. The economic principles are these:

1. The maintenance of order
2. The freedom of exchange
3. The education of the masses
4. The ownership of land
5. The security of capital
6. The sacredness of contracts
7. The prevention of industrial exploitation
8. A living wage

Each of these has been found essential to the prosperity of America, and can therefore be assumed to be the basis of our relations to any external industrial group. We must prevent exploitation; we must give a living wage; we must make capital secure; we must see that the masses in every community whose industrial relations we dominate maintain their industrial efficiency.

The social emotions arising from our civilization may be formulated as follows:

1. Brotherhood of man
2. Joy in mutual prosperity
3. Respect for manly labor
4. Love of intergroupal contact
5. Subordination of personal, group and national interest to the general good
6. Subordination of legal rights to social welfare
7. Pride in Anglo-American ideals and civilization
8. Self and group sacrifice for the benefit of backward races

These emotions have been growing through the past two centuries and must be taken into consideration in the settlement of foreign affairs. Group interest must be subordinated to social welfare, a keener love for our brother man must be evoked, respect for manly labor must be encouraged, and a pride in Anglo-American ideals and civilization must grow with the spread of our industrial institutions. Last but not least is the sacrifice which is demanded of us to help the backward races enter upon the civilization that we enjoy.

Political action must depend upon these economic principles or upon the social emotions that result from them. What we should insist upon in our dealings with neighboring states is not constitu-

tional government but the reality of an industrial civilization. The question is not whether the Mexican constitution harmonizes with ours, but whether Mexican industry conforms to the conditions of a higher civilization. Our feelings toward the Russian people, for example, should not be determined by the fact that they have an absolute monarchy, but by the violation of economic principles that the present government in Russia may favor, or by the suppression of the social emotions that have become the common heritage of mankind. Only on one or the other of these grounds have we the right to interfere in foreign affairs or to demand conformity on the part of other nations to the principles which our civilization has evoked. We should be proud not of our constitution but of our civilization. Our guide should be justice not liberty.

These newer ideas and standards profoundly modify our external relations. With those parts of the world in which our commercial interests are slight, we have little responsibility; but this responsibility increases as our trade and industry grow, and it becomes imperative when these interests are so dominant that regions with which we trade left to themselves would fail to maintain political and industrial stability. Our industrial relations with South America are slight and will always be so. No greater mistake can be made than to assume that the Panama Canal will make South America a part of our industrial system. We should view the Canal as a contribution to the general prosperity of the world in which we will gain not as we seize or maintain control of South America, but as we share in the general prosperity that comes to all through industrial gains. A broader policy should be adopted towards the South American states. They should be made responsible for their own stability, and for their own internal development. Our interest in them is no greater than in Africa or in Australia. We should take our hands off and allow that progress to take place which will come naturally through their internal development. This means the withdrawal of our assumed control, and the granting of complete independence on their part and also a complete responsibility for their own acts. They should be treated exactly as the Balkan States are now treated in Europe—as an independent unity that must struggle with and successfully overcome their own internal difficulties.

The situation is different when we consider our relations to Central America and Mexico. All of this region is an integral part of our

industrial system. We cannot prosper without their prosperity, and they can maintain neither industrial prosperity nor political stability without our aid. To have our policy under these conditions controlled by sentiment is a fatal mistake. We must either control or let disorder continue and if disorder continues not only will they suffer but we shall have corresponding losses due to the lower standard of life and higher cost of living thus imposed upon the American people.

Control may cost lives and may cost money but lives are now lost in far greater numbers than could be through any effective policy of control. The waste of wealth under present conditions also far exceeds any loss that we might undergo in establishing permanent industrial relations throughout this region. We cannot draw an imaginary line between them and us without moral degradation on the one part and commercial loss on the other.

This control if properly exercised would create stable industry, a redistribution of population into regions now fitted for full physical development, and a movement of our colored population to the south instead of to the north, with a resulting mitigation of difficulties with the negro race. It would also mean a great extension of the field of capital and enterprise, offering inducements for saving and personal development which would otherwise be absent. But more than all these, we should think of the social uplift which would come to all the tropical races through the improvement of their health and industry. There is no reason why this region for whose welfare we are socially responsible should not be made as prosperous and its population as virile as the northern races.

This creates new political problems since our expansions in the past have been over territory of like industrial qualities and filled with people of similar traits and character to those of the adjacent states. Such a union as we have had in the past would not be advantageous under the more complex conditions which an expanding commercial policy creates. There is, however, no reason why we should not have *adjunct* states for whose social conditions and industrial prosperity we are responsible without creating the difficulties which would arise if they were admitted to our union. We must conscientiously face these industrial problems, whether they relate to our recent immigrants, to the colored race, or to the races to our south. In the solution we could serve the world in as important a

way as we did in our early history by securing our independence and establishing our political unity.

The really difficult problem in this modification of our external policy relates to Mexico. We must, however, remember that Mexico is not an industrial unit, and that the real weakness in Mexico at the present time lies in the fact that the different sections are bound together only by weak sentimental ties. The economic interests of these sections are so different and the class interests are so intense that no political unity can be maintained in Mexico except as some sections dominate others or some classes control those differing from themselves. Each new conquest will be that of a class or a section and thus revive the evils that caused the present revolution. To think that under such circumstances a unity can be maintained in Mexico is to fly in the face of experience. Political independence cannot be upheld except through economic independence, and any region that is not economically self-sufficing must sooner or later become a component part of some larger unity that is economically independent.

The principles that I have enunciated apply not merely to the Mexican situation, but to the whole Anglo-American civilization. Both England and America have arrived at a point where old constitutional restraints have broken down and where new principles of common action must be developed. England has the same situation to face in regard to Ireland and to South Africa that we have in regard to Mexico. Our responsibilities are not diminished by the fact that Mexico is external to the territory of the United States, nor is English responsibility reduced on the plea that England is giving local self-government to various parts of the British Empire.

Ireland cannot become a political unit, because she is not an industrial unit. Belfast does not trade with Dublin, but with the outside world. Dublin in turn has its external trade independent of other parts of Ireland. This means that any decision interfering with the industrial prosperity of Belfast will not be felt in Dublin, and hence will not tend to create a reaction that will set it aside. Our western states may not be much interested in eastern prosperity, but eastern depression is sure to be felt in the western states and to produce in them a reaction in favor of conditions in the east that would give them prosperity. No such mutual conditions exist in Ireland. All that would hold such a unit together would be a weak

local sentiment which could not under any circumstances be powerful enough to prevent the aggressions of one locality against another. The same lack of common interests prevails in South America. Its mining industry creates abnormal conditions for the benefit of the world at large. We can not expect a dominant class in such a locality to respect the interests of other classes. The only method by which the balanced prosperity of these localities, groups and classes can be insured is by some outside control imposing upon the whole region the economic principles and social emotions that have developed in the larger Anglo-American world.

Our policy towards Mexico should be based on these principles. We should break up the Mexican state and put in its place natural units, the people of which have common industrial interests and who would therefore feel any burden that may be imposed on some one class. There must in addition be an abrogation of class privileges. There should also be a definite policy about public utilities. These are so influential that they cannot be controlled by the different localities. All this could be done without any break in our political precedents. It would, however, force a reconstruction of our economic ideals and a greater emphasis on our social emotions. Both these changes are much to be desired; if the Mexican situation leads us to a clearer perception of the economic and social principles on which our civilization depends, we shall not only be the gainers in our foreign policy but also in all our domestic relations.

Let me restate fundamentals to make my position clear. Economic interests should determine the extent of the region over which we exert effective control. In this whole region our responsibilities are the same whether a given portion be in or without our national union. We should not control regions like South America where our ties are sentimental. We should control Mexico even if sentiment on both sides of the national boundary is opposed. Social responsibility must dominate over regional feelings.

Two groups of sentiments are wholesome: the Anglo-American, which reflect our whole civilization, and those evoked by local interests. Class sentiments, regional sentiments, race sentiments, language sentiments and denominational sentiments are bad and should be displaced either by the broader sentiments of our civilization or by economic interests. To treat Mexico as a whole would be as fatal as to have treated the South as a unit at the close of the Civil

War. Had we done this an intolerable situation would have arisen only solved by another war. We want no southern sentiment, no eastern or western sentiment, no more than we want Irish, German or Jewish sentiment. Mexican sentiment is a bar to their progress and to ours. It should be faced and suppressed just as southern sentiment was fought and defeated.

Local political units should be economic and so demarked that people of similar interests can act together for common ends. No other sentiments except those generated by our whole civilization can be tolerated. That which goes beyond the locality should be broad enough and true enough to arouse all men. Interests are local; sentiments are universal. We should avoid the mistakes now committed by England in relation to Ireland and South Africa. Irish and South African sentiment is regional. Like southern sentiment or Mexican sentiment or the class sentiments that are now forming, they are against social welfare, and should be repressed. Only as they are blended into a larger unity that is not regional or class can our civilization expand and flourish. Both regions and classes must lose their emotional appeal in the march of events giving to localities their economic rights and to the whole world one religion, one future and one civilization. Away with all besides this goal in which political, economic and social interests unite into a harmonious whole and lift us above the strife of regional and race emotions.

MEXICO: ITS PEOPLE AND ITS PROBLEM

BY MAJOR CASSIUS E. GILLETTE,
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Strictly speaking, there is no such thing as international law, for there is nobody authorized to pass such laws, no tribunal to interpret them, and no executive authorized to enforce them. Nations in this are in precisely the condition of a group of men in a mining camp in a wilderness where there is no government and no established laws.

Yet in both cases certain fundamental principles are recognized and those who violate them are likely to have a fight on their hands in which disinterested parties are likely to take sides against them. Thus in the mining camp it is recognized that each man owns his own claim and can work it by any method he pleases provided he does not thereby interfere with the rights of his neighbor.

So with nations; each nation is considered to own its territory, to have certain attributes called sovereignty. It can work its lands as it desires, provide its own government, and regulate its own affairs as it pleases and settle its internal disputes as it sees fit. In general no nation has a right to interfere with the sovereignty of another and remain its friend. Any such interference is really an act of war.

Nations have the inherent right to change their governments by any method without other nations having the slightest right to interfere even though it be difficult at times for those other nations to determine what faction to recognize as the actual government.

Under ordinary conditions no nation is bound to recognize or hold diplomatic relations with a government of whose character it disapproves. There is one very exceptional case, however, in this behalf. The relations of the United States to other American republics, particularly Mexico and Central America, are different from those between any other countries. The Monroe Doctrine is the cause of this. Privately suggested primarily by England to prevent the Holy Alliance from helping Spain to recover her colonies, its real justifiable meaning is that we claim the right to try, on this continent, the experiment of government by the people unhampered and uncontaminated by European monarchical systems. It has not inherently

the force of law, but we will fight for it, and that makes it about as good as law.

There is one important point, however, generally overlooked. The doctrine does not contemplate for a moment any right to dictate the form of government of other countries on this continent, especially those existing at the time of President Monroe.

We have not a shadow of a right to demand that Canada become a republic, and no one has ever even suggested such a right, and we have not a shadow of a right in the same behalf as regards Mexico.

Spain colonized and owned that country for a hundred years before England established her colonies here. We will prevent and did prevent Europe from making a monarchy of Mexico, but if Mexico wants to make a monarchy of herself the Monroe Doctrine does not apply. We have made it apply but we have no moral right to do so. We have the right to be what President Wilson calls "the champions of constitutional government," within our own borders, and to encourage it elsewhere, but we have no right to interfere with the sovereignty of Mexico. If she wishes or finds it unavoidable to change rulers by force it is really none of our business.

It would seem that we should have the full right of non-recognition in such cases, but even this is not true. The rights that we have almost automatically arrogated under an extension of the Monroe Doctrine have been acceded to by foreign governments and the result is practically that if we do not recognize a *de facto* government of Mexico, we can kill it and even destroy that country simply by non-recognition as we are doing today.

The big nations that divided up Poland have been condemned by civilization ever since. But the partition of Poland is a very mild matter, in comparison to the horrors of what we are doing in Mexico. That our people stand for it for a moment is only explainable on the ground of ignorance of the true facts.

This ignorance of ours concerning Mexico is one of the most amazing things of the age. The average American really knows less of our next-door neighbor to the south than he does of Germany or Japan.

The typical and crowning error of this is the apparent assumption by the President, press, and people, that the so-called "Constitutionalists" of Mexico are analogous to our revolutionary sires trying to establish a true democracy in the so-called republic of Mexico. On the contrary they are vastly more similar to the followers of Geronimo, Sitting Bull, Cochise, or Rain-in-the-Face.

When the Spaniards came to Mexico they found two kinds of people—civilized Aztecs, Toltecs, Oaxacans, etc., probably of European origin, and the western Apache-like people, probably derived from Asiatic barbarians. The Spaniards intermarried with the civilized races and made peons of the barbarian element. So today there are two races in Mexico, one a cultured Latin race and the other uncouth savages more or less “tamed.”

Absolutely the only difference between the common peons of Mexico and our reservation Indians lies in the fact that we killed off most of our Indians, and put the remnants upon reservations, while the Spaniards “converted” theirs (with an axe if necessary) and put them to work. They have not changed a whit in four hundred years. They have the habits, the food, the clothing, the houses, the superstitions, and the vermin, that they had when Cortez came. I have seen thousands of their abodes, never one with a chimney, never one with anything but a dirt floor. They build the fire on the floor and the smoke gets out as best it can. They have acquired nothing from civilization but its diseases, firearms, horses, a few crude cooking utensils, and a very thin religious veneer for their old superstitions, mostly used with a view to better luck in gambling.

Their clothing is exactly what Cortez found, substituting a little cheaper cotton cloth for some of the skins, and omitting the feathers.

Beginning at the feet this costume consists of rude, homemade, leather sandals, worn part of the time on feet more nearly resembling hoofs. It can safely be asserted that 50 per cent of Villa’s “patriots” have cracks a quarter of an inch deep in their hoof-like heels. They encase their legs generally in “pants” made of unbleached cotton sheeting, held up by a kind of shawl or sash twisted around the waist; a blouse or jumper of the same material; no underwear or socks; a blanket made by hand, with a central slit for the head to go through—and a straw sugar-loaf hat 18 inches high, with a brim 2 feet wide—unkempt hair, generally “inhabited.” It can safely be guaranteed that there are not a dozen combs in Villa’s camp, nor any soap used for bathing.

It is also a safe assertion that not 5 per cent of Villa’s “army” knows that they are called “Constitutionalists” at all; not 1 per cent could spell or pronounce the word constitution, nor identify a single letter in its make-up; not one in a hundred would know what was meant by a constitution nor would care a continental about it if you

talked to him for a week. And if you handed him a ballot, he would not have the slightest conception of its use except possibly to roll a cigarette and he would prefer a corn husk for that.

Their highest ideal of life is an uncurbed freedom, to ride a horse, carry a gun, and "earn their bread by the sweat of their squaws" in true Indian fashion. They have no desire for "votes for men," but are willing to compromise on "work for women." The women, like savages the world over, are willing to work. The men work only when compelled to do so by hunger, and then only enough to get corn and beans. The problem of every wise employer of labor in Mexico is to get the peons to have use for higher wages. Better food and better shelter will give more work for each dollar invested than corn, beans, and a blanket, and make a better country to live in. But every increase in wages beyond the pittance required for those almost invariably goes for pulque or idleness.

They seem to have only two emotions above those necessary for racial preservation,—fear, and the joy of destroying. Where the occasion would seem to call for anger, joy, resentment, patriotism, playfulness, or hate, the average peon smashes windows, preferably those of plate glass.

When Mexico threw off the Spanish yoke in 1821, the peons in the out-of-the-way places filled up, walled up, and hid, every possible mine. A few months ago the "rebels" blew up with dynamite a coal mine which they knew belonged to the family of Madero, destroying about half a million dollars' worth of property and equipment. These rebels, who are the desperate offscourings of the peon class, have destroyed everything in northern Mexico that means "work for men," so far as they have been able to reach it, bridges, houses, banks, railroad stations, tunnels, theatres, cars, locomotives, culverts, everything. They have looted churches, missions, residences, banks, stores, and have murdered and held for ransom many persons of all nationalities.

The civilized people number perhaps two millions, a race proud and ambitious—individually too ambitious, because too many do not seem able to perceive that in trying to govern a country in which there are less than three million intelligent people against over twelve million untutored savages, absolute unity is necessary in the civilized ranks.

The fundamental trouble with the country, though, is that the

two million own all the land. The twelve million own nothing. Millions of them have no home but a blanket. The rest live in shacks, huts, or cabins, built generally by themselves on other people's land, and they generally work for the land owner. In this they are exactly in the position of the few scattered Indians in our West who live under precisely similar conditions, the only essential difference being in their relative numbers, most of ours being gathered on reservations.

Between the few civilized land owners and the numerous landless savages, is a small class of intelligent people who are neither peons nor land owners, and who are naturally dissatisfied with conditions. Many of these are ready for any disturbance that may bring a change.

Add now the fact that all three types come from fighting stock, and that to all the original natives bloodshed was a routine matter, and you will see that "government by the people" is here a preposterous dream. No republic nor anything like a republic ever has been or ever can be made out of Mexican peons or any other North American Indians, except after a long period of gradual development of small landholders. We have never even attempted it with our own; why should we try to force it upon Mexico? We have several times given some of them land in severalty; they promptly drank or gambled it away. Nothing is so easy as to start a "revolution" in Mexico, if setting savages on the warpath is revolution; and bandit outbreaks under any pretext from "constitutional government" to "forty acres and a mule" are something to be expected under any government except one of iron which handles both savage and renegade with prompt and severe punishment. Under a lax or hampered government banditism becomes a business, aided wonderfully by the topography of the country. Leaving out a strip from 50 to 100 miles wide around the coast, the body of Mexico is a plateau about 3000 feet above the sea along the northern border and 8000 in the southern portion. This plateau is fringed by a range of high mountains from whose crests down to the sea is an indescribably rough country where roads are practically unknown, all traffic being by pack trains on rough mountain trails. The plateau is cut up by numerous rough mountain ranges with few roads. From these fastnesses bandits are difficult to dislodge. They raid the valleys and then sneak back to their lairs in the mountains.

No matter how many bandits may be ravaging the country, each band is as independent as a wolf. To capture large game like

a city they unite just as wolves that kill rabbits individually unite to pull down a buffalo. There is no organized amalgamation, however skilfully the mob may be press-agented into an army. Their method of taking a city is strikingly like a band of coyotes around a buffalo. They do not besiege the city nor storm it; they camp around it and cut off its supplies until it is starved out. In the sparse semi-desert of north Mexico this plan works successfully—in the richer southern states the garrison can get supplies by sorties. The recent "storming" of Torreon by Villa is probably largely newspaper picturesqueness, though possibly the hordes of savages gathered were sufficiently numerous to venture a capture by assault.

The regular or federal army of Mexico is composed mostly of peons, but they are officered by educated gentlemen, mostly graduates of the West Point of Mexico, Chapultepec. A very creditable discipline is maintained, but irregularities accompany all armies, in war times, our own Civil War being no exception. Skilful press-agenting, however, can make the incidents of General Huerta's army appear on a par with the regular business of the bandit "army" of which the most prominent leader now is Villa.

Now that he has dominated most of the other bandit leaders and been supplied with cannon, his forces may have some semblance of an army.

A typical example of the necessity of severity on the part of the government of Mexico in treating renegades who are willing to risk savage domination to gain personal control, as Madero did, is shown by General Angeles, now with Villa's "army." This man is a trained artilleryman. He was imprisoned by General Huerta for treason. His wife pleaded for his release and he himself promised upon his most sacred honor that if released he would remain absolutely neutral in the struggle. Yet he went to the aid of the rebels as fast as he could go, consenting to serve under Villa to help destroy the civilization of his own country. General Diaz was not as kind-hearted a man as General Huerta.

Serious consideration at the moment is being given to the discussion of ways and means of restoring order in Mexico, the President being as firm as ever in the conviction that the solution must be acceptable to the "Constitutionalists." The futility of this can be readily grasped when it is reflected that Madero himself, in whose name they are fighting, was not "acceptable" to them. Practically

not a single leader who helped Madero fight for "constitutional liberty" came in when the fight was won. Orozco alone did so, and he stayed only two weeks when he went back to fight Madero. The others all stayed on in "rebellion" against Madero, exactly as they had fought Diaz. Their business is brigandage and loot, and their pretexts, always high-sounding, are varied to suit the occasion.

Villa pretends to be fighting for Madero's "principles," yet recently he viciously fought a co-worker for the same cause, one Maximo Castillo, Madero's own bodyguard, who recently helped the cause of "freedom" by gleefully wrecking a loaded passenger train in a blazing tunnel. At least Villa says Castillo did. The latter lays it to Villa's men. It should be carefully borne in mind that these outrages are being done, not by Mexico but by the savages who are destroying Mexico.

If Villa became president of Mexico tomorrow, he would have to fight every one of his followers that he did not provide with an office, just as Madero did.

Since 1821 Mexico has been called a republic—it has never been one in reality for fifteen minutes. It was twice an empire, several times a military dictatorship, but never a government by the people for a moment. For fifty years it was one continued succession of revolts, rebellions, intrigues, anarchy, and destruction. One president actually rebelled against himself, as it were, and took the field to become a dictator, saying the country could not be governed under a constitution. Finally, a war hero, a military genius, a great constructive statesman, a skilful diplomat, and last, but by no means least, an "iron ruler" appeared in Porfirio Diaz, who crushed renegade and bandit with merciless vigor, placated respectable opposition, and established peace and order. He worked a miracle of government; a rigorous military dictatorship under all the forms of a pure democracy. For thirty years under Diaz peace prevailed and the country, the richest in the world, prospered.

This continued till the greatest source of wealth the country possessed was discovered. When it was proven that Mexico contains an empire of oil, the richest deposits in the world, the troubles of Mexico began.

Americans first drilled for oil but found little. Later Sir Weetman Pearson, an English engineer, holding some pretty favorable government contracts, drilled much deeper and found oil in enormous

quantities. Standard Oil never drills any pioneer wells. They wait till others find the oil and then go "buy" it—at their own figures. Like the American eagle which never tries to catch a fish, but waits till the osprey catches one and then goes and gets it, without risking taking cold by getting wet. But Sir Weetman was a pretty large fish hawk, and he seems still to have the oil.

The enormous concentration of wealth in few hands that has come from Standard Oil methods is probably the greatest menace to our institutions that exists, and it is possible that Diaz, who was a wise and farseeing ruler, did not want Standard Oil to do to Mexico what it was doing to the United States. Some assert that his friends, and even he himself, were partners with Lord Cowdray. In any event he protected that fish hawk from the oil eagle. Then curious things happened. Diaz, who had been lauded for many years on all hands as the greatest constructive statesman of the age, began to be systematically reviled. One John Kenneth Turner, an impecunious newspaper scribbler, was "staked" by some one to make a ten months' trip to Mexico with money enough to pose successfully as a capitalist looking for big investments, taking along such luxuries as a traveling companion and a private secretary. He produced a scurrilous misrepresentation of Mexico, and especially of Diaz, called *Barbarous Mexico*.

Curiously enough, before oil was discovered in Mexico, Mr. Bryan, presidential candidate of the Democratic party of the United States, and editor of *The Commoner*, paid the following tribute to General Diaz:

President Diaz has left an indelible impress on his country. His administration covers an area of great and permanent improvement in the condition of that nation.

When I was in the city of Mexico I was especially impressed with his interest in education, and to education the people of Mexico must look for the laying of that broad foundation which is necessary to stable government.

I need not comment upon the executive ability of President Diaz. He has won a place among the great executive officers of the world. As one who feels deeply interested in the future of the Republic of Mexico, I rejoice in the progress that the country has made under Porfirio Diaz.

After oil had been developed he referred to him in the following picturesque language:

What . . . that bloody old butcher, that bloody old tyrant who has done nothing but murder and butcher for thirty years, and would be doing so yet only that such patriots as Madero, Carranza and Villa rose to throw off the yoke of tyranny which resulted in finally driving him from the country.

On September 9, 1912, Lawrence F. Converse appeared before the sub-committee of the committee on foreign relations of the United States Senate and testified under oath as follows:

I was taken into the confidence (of Madero and his officers) as an officer on their staff. Mr. Madero told me his money was coming from that source (Standard Oil). The three men mentioned (Francisco Madero, Braulio Hernandez, Madero's secretary of state, and Abraham Gonzales, governor of Chihuahua) said that Standard Oil would back them to the last ditch.

Mr. Madero stated to me several times, as also did his other trusted officers, that the Standard Oil Company was back of them. He told me that several times for a positive fact.

They were to have a high rate of interest and there was a tentative agreement as to an oil concession in the southern states of Mexico.

Before the same sub-committee S. G. Hopkins of Washington, D. C., testified that he had been attorney for Madero and his revolutionists from the first outbreak. He is counsel for the rebels now and they have made their headquarters in his office down to the present day. He admitted on the stand that during a part of the time since Madero "broke out," he, Hopkins, was counsel for the Waters-Pierce Oil Company operating in Mexico and owned by Standard Oil. Mr. Hopkins is well known as a press-agent of great resources.

The possibilities of this situation are such as to demand strict observance on the part of the United States of the accepted rules of international law, irrespective of the alleged personal qualities of Mexican presidents or would-be presidents as they appear in the press.¹

After about the proper length of time for *Barbarous Mexico* to permeate the minds of the people of the United States, Madero began his revolution. His propaganda was "free land to the peons." In this he did not even have the merit of originality. That precise thing had been the shibboleth of every renegade outbreak from 1821 till the time of Diaz, 1876, and there were literally hundreds of them. Not one of his predecessors had ever made the slightest effort to make

¹ See *The Trend Magazine* for April, 1914.

good their lure. All that Madero did in this behalf was to have his brother Gustavo go down to Morelos and buy a large hacienda at \$12 a hectare and sell it to the government at \$36—for free distribution.

As shown above, the Monroe Doctrine gives an awful power for good or evil. In justice it should limit our normal right of non-recognition. As it stands President Wilson's refusal on March 7, 1913, to recognize General Huerta has absolutely prevented anybody from lending money to the Mexican government, except at their own personal risks, for President Wilson can at any moment recognize Villa as president of Mexico, and what Villa or Carranza would do to Huerta's bonds needs no demonstration.

But we have gone far beyond mere non-recognition. European bankers have refused to lend money to the government of Mexico because of secret requests made to their governments by President Wilson. He also directed the Postmaster-General to demand a settlement from Mexico of about a million dollars at a time when such demand would hurt civilized Mexico most. All these things lie within the power of President Wilson. How unjust and wrong they are, time will surely show.

THE REMEDY FOR MEXICO

BY LESLIE C. WELLS,

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What should be desired in Mexico is not so much immediate peace as a peace that shall be tolerably permanent. Mexico is a land of special privilege and great oppression of the masses. That is one of the two causes of the country's present troubles. The other, complementary to it, is the twofold fact, first, that there is a deep-seated desire among the people for a change in their condition, and second, that large numbers of the more virile part of the population are at last determined to force the change. These two causes must be taken as the fundamental considerations for foreign governments in the formation of a far-sighted policy with regard to the Mexican situation.

For a permanent cure of disease, the cause must be removed. There will not be settled peace in Mexico, and there ought not to be, until the people see the promise of a reasonable degree of relief from their sad condition. This can be realized only through the ascendancy of some party pledged to reforms. It is idle to think that a strong man is the main essential. True it is that the man at the helm in Mexico should be one of extraordinary strength, but the movement of the times is greater than any individual; and unless he fall into step with the demands of the generation, no man's personality can long dominate the situation. There was never any substantial reason for thinking that General Huerta, with only his military prestige to recommend him, could prove the salvation of his country. Granting that the recognition of his government a year ago by the United States would have resulted in peace, which is to be doubted, the peace would have been a forced one, maintained by the arbitrary methods of the old régime. Such a peace would have been fatal to itself, the peace that Porfirio Diaz maintained, and at best could have been but a temporary one. It probably would have resulted in a few years in an explosion all the more violent because of the repression.

Not only must there come to power in Mexico a party committed to reforms, but, if settled peace is to result, its victory must come about under such circumstances as to enable it to carry some of the reforms,

where they are most urgent, into immediate execution. This means that their victory must be complete, and not one of compromise. The sad example furnished by the compromise of Madero should be a warning against another, not only to the Mexicans of the reform element, but also to foreign governments which may be inclined to exert pressure upon the contending parties to compose their differences. No steps should be taken which would leave in positions of power men in sympathy with the old régime who might work to undermine the strength of the victors or to delay or neutralize the realization of their purposes. Any such abortion on the part of the revolution would logically result in another popular revolution against the new government, as there were uprisings against Madero when it appeared that he would not bring to satisfactory fruition the aims with which he inspired the soldiers who fought his battles. The leaders of the revolution are but the instruments of the people, in whose hearts it has its real and vital force. If these instruments fail the people in the ultimate work that is to be done after the smoke of battle has cleared away, they will be cast aside for some of truer or stronger steel. It is therefore devoutly to be desired that the leaders of reform should have a clear field for their efforts. This will not be possible unless the Científico party and others whom President Diaz favored are so completely defeated and shorn of their strength as to be discouraged for some time to come from attempting to block the progress of the age. These considerations not only justify the Mexican revolutionists in declining mediation, but should deter foreign governments from pressing it.

It may be too early to predict that the present Constitutionalist organization will win a victory so complete, or that the struggle can be ended soon enough to satisfy foreigners, except those who can possess themselves with great patience. But, on some accounts, it is desirable that the Constitutionlists, if they are to conquer Huerta, or any other reactionary to whom he may give place, should make somewhat slow progress in their march to Mexico City. As battles deplete their ranks, to restore them to their necessary numbers they will have to depend to some extent upon accessions of inexperienced soldiers in the country through which they pass. If no time is taken to train and discipline these men, not only will the war be bloodier, but the armies will in moments of stress and temptation be more irresponsible, and possibly the cause of much unnecessary loss

of property and suffering to non-combatants. Moreover, as the Constitutionalist government extends its control to the south, it needs time to organize itself in the new territory, to get its machinery into well coördinated operation, to restore a tranquil and confident state of mind among the people, such as apparently exists in the sections where it has been longest in control, and to bring the daily activities of the people as nearly as may be back to their accustomed flow. If its armies should now capture city after city in rapid succession, and arrive in a rush at the capital itself, the excitement of the populace, as well as that of the soldiers, would run so high that many grave events might take place. In some places the lower classes might take into their own hands the work of reform at which the revolution is aiming, interpret their regained rights in their own crude way, and in seizing upon them commit many acts of vengeance and violence. The fall of Mexico City, if coming as the result of a battle at that point, will at any time be the occasion of great excitement through the entire country. No better provision can be had against the untoward contingencies of that event than the slow but sure consolidation of the power of the Constitutionalist government.

Assuming that after a final victory of the Constitutionalists the civil government of the country will temporarily be in the hands of General Carranza and his cabinet, the peace of the nation will be much better assured in the trying period that will follow, if they have had time in different localities to become acquainted with the conditions and problems that will confront them. They might well go further than this. They might get some of those problems partially off their hands by bringing to them local and provisional solutions. For the masses of the people, probably the most tangible of the many abuses which they are fighting is that of the land tenure. It is the one whose abolition they will demand with the greatest promptness after the war is over. Any delay in this reform will be as perilous for the peace of the country as it proved to be in the time of Madero. In some of the places where land is most sorely needed for individual or communal use, it might be wise for the Constitutionalist government, on the several stages of its southward progress, to seize land and confer it upon villages or divide it among families. This might be done by confiscation in cases where circumstances justify it, and by expropriation, with the remuneration subject to later decisions of the courts,

in places where invalidity of title is not apparent and no other grounds exist for confiscation.

To do this wisely would take some time; but such a procedure would serve to appease the people pending the institution of further reforms, and render more secure the new government to be established in Mexico City. Such a policy as this, moreover, adopted as a military or revolutionary measure, would probably in the long run save time. It would give the government experience in handling the question, contact with its varied aspects in the different regions, and a slight opportunity to test different methods of settling it. Successful solutions of the problem in a few localities would pave the way to its general solution by legislative process, in which it would otherwise probably become subject to the same delay of endless debate as during the administration of Madero.

However, impatience outside of Mexico for an early end to the fighting tends to foster a demand for intervention on the part of the United States. This will generally be recognized as unwarranted unless it can be clearly shown that Mexico has forfeited the sovereign right to settle her affairs according to her own ideas, and in the way that is most likely to settle them permanently. A condition of unbearable anarchy would perhaps constitute such forfeiture if there should be no promise of a cessation through the operation of internal forces. By a state of civil war the right is not forfeited, as by the principles of international law a sovereign state may engage in civil war without interference, unless it is waged with unrestrained irresponsibility. That there is some anarchy in Mexico is undoubted. But the important question is whether this anarchy is not the incidental feature, and civil war the predominant fact, of the situation.

It is sometimes difficult to know whether a domestic strife is to be considered a true civil war or a mere contest of personal ambitions. If, however, grounds for controversy exist such as justify an appeal to arms, no foreign government may properly presume to pass judgment on the motives of the leaders of a revolt, and assume that they are making only an insincere and selfish parade of their issues, unless their conduct of the war is such as to show them almost beyond doubt to be without principles of patriotism. Since a man's fellow citizens may be supposed to be better judges of his character than persons of a different nationality, this principle applies with particular force to a struggle where large numbers of men are assembling under the same

leaders, and proving their confidence in them by entrusting their cause to their direction and their lives to their command.

Mexico undeniably presents the basic conditions without which a struggle should not be viewed as a true civil war, namely, the existence of issues which are of vital concern to the people; and the abuses which give rise to them have been so tyrannical as to justify a revolution in the government, and, if necessary to that end, a violent purging of the nation. The revolt on these issues is under the guidance of leaders, civil and military, representing nearly all grades of society and many walks of life. They include men of character who typify the most substantial products of Mexican civilization. The Mexicans, who have proved their confidence in them by enlisting under their standard, are so strong in numbers and in spirit as to be a most formidable force against the best armies that General Huerta can send to oppose them. A large part of these troops certainly, and apparently almost all of them, are operating under orders from a single source. Their chief is also exercising the powers of civil government in a very extensive and growing territory. In a large part of this territory, notably in the State of Sonora, in which was located until recently the Constitutionalist capital, foreigners have been receiving complete protection. These conditions seem to establish civil war, and not anarchy, as the predominant fact of the situation.

As for the way in which the war is being waged, comparisons should be made with other conflicts. In the history of the United States, not alone the terrible events of Sherman's "March to the Sea," and those in Arkansas, Missouri and Tennessee during the Civil War, but, in more recent times, many predatory and licentious acts of American soldiers¹ in the war with Spain, despite the efforts of the officers to prevent them, rise up to modify the judgment that might be passed on barbarities that have taken place in Mexico. The war ideals of the nation which may prove the most troublesome of the powers that may attempt to force the hand of the United States in Mexico or influence its action there, may be found in the speech made by the German Emperor² in 1900 to his troops embarking for China, in which he enjoins them to emulate the Huns of Attila; while the zeal with which they obeyed his injunction, and the excesses of the

¹ E. J. Benton, *International Law and Diplomacy of the Spanish-American War*, p. 162.

² Charles Francis Adams, *Studies Military and Diplomatic*, p. 288.

French, British and Russian soldiers³ on the same expedition, show that the so-called civilized usages of war are largely a fiction.

How, then, can we expect a nation, the masses of whose population are still in an early stage of their development, to carry on a war that shall fall short of Sherman's definition? Can we expect her to be relatively more refined in warfare than she is in the pursuits of peace? If foreigners are satisfied to live in Mexico in times of peace, for the sake of reaping great profits from her backwardness in exploiting her own resources, and to profit also in many cases from Porfirian methods of preserving peace perhaps quite as barbarous as any of the acts of the present conflict, should they not accept their lot uncomplainingly when Mexico engages in warfare? And, everything considered, have not the warring Mexicans acquitted themselves quite as creditably as, in their own wars, have the soldiers of the five nations whose citizens are now most interested on her soil?

Among the cogent reasons of other sorts why the United States should not intervene, there are some of which little has been said in public discussion. Mention may be made of a few, beginning with those which apply to continued control of the Mexican government.

Americans have more than they can attend to to keep their own house in order. The full attention of their legislators and public opinion is needed on the many great domestic problems of city, state and nation. It is especially pertinent to remember that the American people do not need to cross their frontiers to find alien wards to guide, and aliens who bid fair to bring more sorrow to them than can ever come from the Mexicans if the latter are left to themselves. Recent articles⁴ by Prof. E. A. Ross, in which he deals with the economic, political and social effects of recent immigration, offer on this point much food for thought. If America is to wield her highest influence in the progress of the world, she may well apply her energy developing her own civilization to its best within its natural boundaries, instead of spreading it like a thin veneer over a large part of the earth's surface.

An accumulation of foreign dependencies would in time invite great corruption in our public service.

³ A. J. Brown, *New Forces in Old China*, chap. xxvi; Wm. Elliot Griffis, *China's Story*, pp. 272-3.

⁴ See *The Century* for November and December, 1913, and January, 1914.

Though almost nothing is said of it in the journals of the United States, one learns in talking with Mexicans concerned in the present struggle that there are in the air the germs of contention in matters involving the Mexican priesthood. The revival in politics about two years ago of the defunct Clerical party is an ominous indication of this. It is somewhat difficult to get definite information on the form which the matter is likely to take, but enough is apparent to indicate that whoever is charged with the government of Mexico during the next decade may expect to become involved in some serious church controversies. The people of the United States, especially in view of the possibility of a similar development in the Philippines, if they have due regard for their domestic harmony, will strongly prefer to avoid the embarrassments of such controversies.

The problems of Mexico resulting from her past unfortunate history should be solved by Mexicans, who understand them and understand themselves; not by Anglo-Saxons, whose very blood makes it difficult for them to understand the racial needs of Latin Americans. Mexico's problems are exceedingly complex. One of the most difficult, the agrarian problem, is one with which Americans have had practically no experience in their present foreign possessions. It did not present itself in Cuba or Porto Rico, and exists in the Philippines in a very different form from the Mexican problem. Land in the Philippines, for the most part, is divided into very small holdings, and the problem of the Friar Lands was of a special and peculiar kind. The manner in which it was settled, however, though it may have been the best one for that particular case, which is open to question, is perhaps an indication that the American manner of attacking the Mexican land problem would be inadequate and unjust. Undoubtedly much land in Mexico which appears to be legally held is morally open to confiscation. The Anglo-Saxon respect for technical property rights and horror of confiscatory methods are so great that American administrators, in obtaining land for the use of the peon, would probably saddle upon the country an unnecessary and unjust burden. It is safe to say that Mexico's land problem can be solved properly only by an internal revolution.

The chances are great that it would take the United States longer to bring even a temporary peace to Mexico than it will for the Constitutionalist forces.

The above reasons, except the last, apply especially to interven-

tion for indefinite occupation. To them should be added one which applies to intervention with the purpose of remaining only until peaceful elections can be held, and, like the objection based on the agrarian situation, to joint intervention as well as to action by the United States alone. Considering the pride and suspicion of the Mexican people, it is almost inconceivable that in an election presided over by foreigners or in the slightest degree under their supervision, the Mexican electorate would come to the polls in sufficient numbers to make the election representative of the will of the people. The result would probably be the choice of a president and congress who, even if not susceptible to the influence of scheming foreigners of the nationalities represented in the intervention, would lack the confidence of the nation. The logical thing to expect, after the withdrawal of the intervening powers, would be a new revolution.

The United States more than any other country has an interest in Mexico's ultimate arrival at a peace established on solid foundations of social justice, and in her advance as a self-respecting nation. In this are involved its commercial and political relations not only with Mexico, but with all Latin America as well. It may properly claim the right to judge, free from pressure from European nations, what policy will be most conducive to such a development, and to decide that there shall be intervention neither by itself nor by any other power. The writer believes that a new basis should be found for the Monroe Doctrine in an understanding with the other countries of this hemisphere. But, until such a basis is established, that doctrine, tacitly recognized by certain European powers as it has been, should not be thrown away. In the meantime, it can be given a new dignity by being invoked, if necessary, in the name of future peace and good will, to insure to Mexico the right of settling her difficulties without interference either American or European.

THE SCOPE AND LIMITS OF OUR OBLIGATIONS TOWARD MEXICO

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Any comprehensive discussion of our relations with Mexico involves two distinct questions which, while closely related, should for the sake of clearness of analysis be kept separate.

There is, in the first place, the basic and fundamental problem involved in our relation to that section of the American continent of which Mexico forms a part; a relation so close and intimate that everything affecting its peace and welfare vitally affects our own national well-being.

The concept of national sovereignty has undergone considerable change during the last century. It is true that our modern system of international law rests on the idea of national sovereignty. This principle marked a healthful reaction against the claims of universal dominion of the Holy Roman Empire. Useful as this principle has been in developing a respect for the rights of weaker states, the solidarity of interests of certain groups of nations of western civilization has begun to make serious inroads upon the traditional idea of sovereignty. The growth of the European concert, the interests of certain temporary or permanent groupings, such as the Triple Alliance and the Triple Entente, all represent forces that have profoundly influenced and modified the doctrine of national sovereignty in European affairs.

Slowly, in many cases almost unconsciously, and in all cases without full recognition of the consequences involved, changes of a like nature have been taking place in international relations on the American continent. It is true that our national thought has not kept pace with the actual changes in international conditions, due to the fact that the foreign policy of the United States has been of a negative rather than of a positive character. We have been content with imposing certain prohibitions on Europe in her relations with the American continent. Even in those cases in which our government has been compelled to formulate the rudiments of a positive American

(in the sense of a continental) policy, the new principles have been invoked for the purpose of re-enforcing the prohibitions on European states rather than because of the desire to develop a distinctive, constructive American foreign policy. The establishment of a kind of trusteeship over San Domingan finances was justified by our government as the only way to avoid the dangers of European occupation and the consequent violation of the Monroe Doctrine. Instead of resting our action in this case on a frank and positive assertion of a special national interest in everything affecting the stability, welfare and progress of the West Indies, irrespective of the attitude of the European countries, we took refuge behind the purely negative principle of the possible dangers involved in European aggression.

The time has come when we must recognize that the doctrine of national self-protection includes far more than the Monroe Doctrine. As Dr. Patten has so well pointed out, the maintenance and improvement of the standard of living of the American workingman depend, in part, on an uninterrupted supply of tropical products from the West Indies and from Central America. The reduction of the price of meat, or at least the avoidance of an increasing cost, will depend in large measure upon the establishment and development of the cattle ranges of northern Mexico. Our great manufacturing interests look to an increasing extent to the vast mining resources of Mexico.

In short, national economic interests of a basic character, affecting the welfare, the standard of life and the industrial prosperity of our country, are inextricably bound up with the political stability and the economic progress of Mexico, Central America and the West Indies. When we add to these fundamental economic and social interests, considerations of a strategic nature, the vital relations of these sections of the American continent to the United States immediately become apparent. The acquisition of the Canal Zone has made of the United States a Central American as well as a North American power, and our national policy must hereafter be profoundly influenced by this change in our geographical relations.

We are interested in the welfare of Mexico, of Central America and of the West Indies primarily because their stability and progress intimately affect the well-being of our own people, and we are interested in their attitude toward us because that attitude has a distinct bearing on our national safety. This essential solidarity of interests carries with it as a logical and inevitable consequence,

a limitation on the freedom of action of all the parties concerned. Approaching the question from the broadest possible point of view, we are forced to the conclusion that national sovereignty is limited and modified by the larger interests of continental progress.

Approaching the situation exclusively from the point of view of the national self-protection of the United States, it is evident that, irrespective of any question of European interference, we cannot remain indifferent to a condition of disorder or instability in any part of Central America, in Mexico or in the West Indies. There is, therefore, an aspect of the Mexican situation which must not be lost sight of and which will remain one of the most important international problems confronting the United States even after all pending questions with Mexico have been settled.

The immediate problem with which we have to deal, however, and to which I am expected to address myself relates to the principles which should guide us in dealing with the anarchical conditions now prevailing in certain sections of Mexico.

Any discussion of our present relation to the Mexican situation, in order to be fruitful, must be undertaken in a constructive spirit and with a keen sense of the responsibilities involved. Mere destructive criticism not only serves no useful purpose but adds to the difficulties of the administration in dealing with the situation. The purposes which the President has had in mind in the formulation of his Mexican policy are so lofty that they should only be modified or abandoned after it has been demonstrated that the ends which he has in view are unattainable.

Before proceeding to an analysis of the conditions now prevailing in Mexico, it is well to bear in mind that the present unrest in Mexico is traceable to causes far deeper than the personal ambitions of petty local leaders. It is true that local politicians have taken advantage of the feeling of unrest to stir up civil strife, but the reason for their success in fomenting revolutionary movements is traceable to the economic and social changes that have taken place in Mexico during the last thirty years.

When President Diaz assumed power he found the country in the most primitive state of economic organization. The emphasis which he laid on the development of the natural resources of Mexico, the improvement in transportation facilities, the development of the mines, the establishment of manufactures, all contributed toward

raising the standard of life of a portion of the laboring population. This improvement, marked as it was, gave rise to a desire for further betterment, and created a feeling of discontent which soon found expression in secret political agitation.

Amidst this forward movement for improvement, the condition of the agricultural laborer remained practically unchanged. He found himself tied to the soil, with but little opportunity to better his condition. The existence of great landed estates made it impossible for him to look forward to securing a small piece of land, which he might call his own. Conscious of the improvement of the condition of the other classes of the laboring population, but seemingly cut off from all possibility of self-improvement, the discontent of the agricultural laborer added to the flame of political agitation.

There is no doubt that Mexico is passing through the throes of a social re-adjustment, and that it is not possible to return to the conditions that prevailed during the administration of General Diaz. It is evident, however, that this re-adjustment cannot take place without a government worthy of the name. The present anarchical conditions prevailing in Mexico are the expression of a deep unrest, but Mexico cannot advance to a higher economic and social level unless there exists an authority sufficiently strong to command respect for person and property in all sections of the republic.

Another factor which should not be lost sight of and which has contributed in no small measure toward bringing about the present situation, and which now enters as a complicating element, increasing the difficulties in the way of a satisfactory solution, is the conflict of foreign interests which has been raging in Mexico during the last ten years. Those who have watched the course of Mexican affairs have been deeply impressed with the struggle for supremacy that has been waged between two groups of capitalists, represented, on the one hand by a great British syndicate, and on the other by an American capitalist with no less powerful affiliations. This struggle has been usually represented as involving nothing more than a scramble for oil concessions. As a matter of fact it goes far deeper, involving vast railroad and agricultural interests.

The struggle began when President Diaz, apprehensive of the domination of American capitalists, sought to counterbalance this influence by fostering other foreign interests. The nationalization of the great Mexican trunk lines, the construction of the Tehuantepec

railroad by a British syndicate, the granting of important oil concessions to Lord Cowdrey and his associates were all intended to establish and maintain a balance of power which would check the influence of the American group in governmental affairs. In other words, Diaz first sought to develop the economic resources of the country by a liberal and even lavish treatment of American capitalists, and then sought to curb their power through the fostering of a British counterweight. It was this change in the policy of General Diaz which enabled Francisco Madero to count on the secret support of at least some of the American companies interested in Mexico. It is exceedingly difficult to estimate the precise effect of this struggle between foreign interests on the domestic situation, but every one is agreed that it enters as an important factor in explaining present conditions, and must be reckoned with in the ultimate solution.

It is evident, therefore, that while some of the elements in the situation now confronting the United States are relatively simple, there are others so complex, and in some respects so elusive that any constructive suggestions should be offered, not in a spirit of dogmatic infallibility but rather as an attempt to throw some light on a perplexing and dangerous situation.

It would be difficult to find another instance in the history of our country in which the real issues involved in a great national problem have been so befogged as in the discussion of the Mexican situation. If the clouds that have obscured our vision simply led to temporary misconceptions, which, in the due course of time, would disappear, and enable us to see the situation in its true light, we might well patiently await this period of clearer vision. Unfortunately, however, the situation presses for early solution and upon a satisfactory solution depend not only the peace of our country but also the well-being and possibly the independent national existence of sixteen millions of our neighbors.

Whether our policy toward Mexico has been right or wrong, we must not close our eyes to the fact that it has aroused serious opposition in all classes of the Mexican population, whether living within the district under control of the government at Mexico City or in the territory occupied by the insurgent forces. It has also aroused the opposition and rekindled the distrust of the countries of Central and South America, and has served to bring together the European countries in a combined determination to protect the interests of their citizens in case the United States fails to do so.

We find ourselves at the present moment in a condition of national isolation, unique in the history of the country, and which stands in marked and solemn contrast with the spirit of good will toward the United States which prevailed immediately prior to the meeting of the second conference at The Hague. With such vast spiritual and material interests at stake and with such consequences impending, it becomes a matter of patriotic duty, to make a careful and searching "*examen de conscience*," with a view to ascertaining not only whether we have adequately fulfilled our international obligations, but also whether the policy which we have pursued and are now pursuing is in harmony with the best interests of our country.

The most serious danger that we have had to face in connection with our recent policy toward Mexico is traceable to the fact that this policy rests on deduction from certain hypotheses rather than on the basis of fact and established principle. The President, in his solemn declaration of December 2, 1913, at a joint session of the two houses of Congress said:

There can be no certain prospect of peace in America until General Huerta has surrendered his usurped authority in Mexico; until it is understood on all hands, indeed, that such pretended governments will not be countenanced or dealt with by the government of the United States. We are the friends of constitutional government in America; we are more than its friends, we are its champions; because in no other way can our neighbors, to whom we would wish in every way to make proof of our friendship, work out their own development in peace and liberty. Mexico has no government.

There is something inspiring in the thought that the United States should become the sponsor and champion of constitutional government on the American continent; something which appeals to that spirit of service which is so deeply rooted in American national character. When, however, we stop to subject this policy, with all its implications, to careful analysis we are forced to the conclusion, first that it is unworkable in practice; secondly, that if the attempt is made to apply it, the results may be disastrous to the countries for whose benefit it is intended; thirdly, that it involves principles which will bring us into constant conflict with the republics of the American continent and will thus serve to undermine our influence in American affairs; and finally, that it means responsibilities which we neither are prepared to fulfill nor should be expected to undertake.

We cannot hope to get at the basic and fundamental principles in

the discussion of this question unless we are able to emancipate ourselves from the hypnotism of political catchwords, and squarely face the facts of the situation, however unwelcome they may be. Many years before he was mentioned for the presidency of the United States, Woodrow Wilson said:

Self-government is not a thing that can be "given" to any people, because it is a form of character and not a form of constitution. No people can be "given" the self-control of maturity. Only a long apprenticeship of obedience can secure them this precious possession.

Between this profound political truth, so felicitously expressed, and the principles contained in President Wilson's message of December 2, 1913, there exists an inherent, fundamental, tragic contradiction, responsible in large measure for the difficulties which now confront us.

Constitutional government does not mean any particular form of written instrument or any special form of governmental organization. No matter how admirable the written instrument may be, it will remain a hollow form unless the political system for which it provides stands in direct and organic relation with the political training, the political capacity, the political traditions and the political antecedents of the people. If this close and intimate relationship does not exist, the pressure of forces far more potent than human desire or human ideals will soon shape a political system which, however imperfect, will at least enjoy the advantage of being workable, and will be vitalized by the strength that comes from the adaptation of political institutions to national character and national needs.

It was the misfortune of Mexico, in 1857, to adopt a constitution which was not, and is not today, in harmony either with the political training or capacity of her people or with the primary requirements of her national development. The constitutional convention of 1857 was made up of a group of political idealists, who labored under the illusion that a written constitution can create democratic conditions but failed to perceive the fundamental truth that written constitutions in order to be helpful, yes, even workable, must faithfully reflect the political capacity, the standard of civilization and the economic and social requirements of the mass of the nation.

Instead of building up a constitutional system on the basis of these fundamental elements, the framers of the constitution of 1857

proceeded to devise a nicely balanced scheme of government, moulded after the Constitution of the United States, adding thereto some of the more democratic features of the French constitution. Instead of recognizing the fact that the long period of anarchy and civil strife which characterized the history of the country between 1810 and 1857 could only be brought to a close through a strong and highly centralized national government, they attempted to provide a system under which the individual states would enjoy a measure of local autonomy almost, if not quite, as great as that enjoyed by the states of the American Union. Not only did the framers of the constitution ignore the manifest political needs of the country, but in their enthusiasm for democratic institutions, they endeavored to build up a system based on universal suffrage in a country in which, at that time, 95 per cent of the population were illiterate.

The attempt to put the constitution of 1857 into operation served to perpetuate the condition of civil strife that had characterized the first four decades of national independence. The individual states not only lacked the financial resources for the building up of vigorous state institutions, but local politicians used their power for selfish personal purposes, which often took the form of aggression and open warfare against the self-constituted leaders of neighboring states. The result was that the period immediately after the taking effect of the constitution of 1857 is an unbroken record of local abuses, of sectional strife, and of a complete disregard of the personal and property rights of the inhabitants.

Whatever may be the ultimate verdict on the part played by Porfirio Diaz in the development of Mexico, the historian of the future must at least give him credit for a clear perception of the fact that the constitution of 1857 was unworkable, that the only hope of preserving the national unity and national integrity of Mexico, and of giving to her a place in modern civilization was to bring about the unification of the country through the subordination of local political leaders to the national government, a process which involved the practical nullification of the constitution of 1857.

These may be unwelcome facts, but it is not my present purpose to form any estimate of the rights and wrongs of Mexican political evolution, but rather to present the actual course of development; a development which shows clearly that the trend of constitutional growth and the conditions of constitutional government in Mexico

cannot be judged, if they are to be fairly judged, by those standards which we are accustomed to apply in the United States. However unwilling we may be to accept the situation, it is nevertheless a fact that the present constitution of Mexico is unworkable, and any attempt on the part of an outside power to force her to operate it is in reality condemning the country to the anarchical conditions which prevailed between 1857 and 1879.

The serious student of Mexican civilization can have no sympathy with the view that Mexico must have an arbitrary and tyrannical central government, ruthless in its methods and unmindful of the personal rights of the inhabitants. There is a wide difference between a strong, centralized, unified government and a tyrannical government. In fact, the real situation in Mexico is that the weaker the central government, the greater the suffering of the poor unprotected Indian because of the tyranny, the abuse and the corruption of local politicians and subordinate administrative officials.

In any estimate of Mexican political conditions, it must always be borne in mind that we are dealing with a nation essentially Indian in its ethnic make-up, and in which the percentage of illiteracy, while not accurately determined, is probably in excess of 90 per cent. It is a mistake to suppose that the population is a turbulent one; on the contrary, there is probably no people of the American continent more easily governed, but there is also none more easily misled by vicious, corrupt and self-seeking local politicians. One of the most difficult problems with which President Diaz had to deal was to free the agricultural and mining laborers from the oppression and the tyranny of the state and local officials. It was a herculean task, in which he was but moderately successful, but the measure of success which attended his efforts fully demonstrates where the primary requisities for political progress lay.

The sentiments expressed by President Wilson in his message of December 2, 1913, are dictated by a lofty idealism, but it is an idealism which bears but little direct or organic relation to the present needs and the present possibilities of Mexico. The intent, no doubt, was to formulate a policy helpful to Mexico, but when tested by the actual conditions of political life, the application of the constitutional standards formulated with such high purpose can have but one result, namely, to condemn the country to a prolonged period of anarchy, the outcome of which must be, either the complete disappearance of

every vestige of civilization or the armed intervention of the United States to preserve the remnants which still exist.

The untenableness of the position assumed by the government of the United States is clearly demonstrated by recent events in Haiti, and especially by the events in Peru. Whatever may be our judgment with reference to the rights and wrongs of the situation, it nevertheless remains a fact that the constitutional government of Peru was overthrown by a military conspiracy, to which, fortunately, our government did not attempt to apply the principle of constitutional sponsorship which is being applied to Mexico. The fact that the participants in this conspiracy base their action on the desire to prevent unconstitutional acts by the president of Peru does not alter the situation so far as the United States is concerned.

The attempt to set the standards to which the governmental organization and governmental procedure of a foreign country should conform must arouse the grave concern of every one interested in preserving the best traditions of American policy. The moment we go beyond our manifest right in requiring that the lives and property of our own citizens in foreign countries shall be duly safeguarded, we not only depart from the accepted principles of international law but embark without chart or compass upon waters so troubled that we run the risk of bringing disaster upon ourselves and disaster no less certain upon the peoples whom we are trying to serve. When we endeavor to dictate the conditions or terms of political activity in any foreign country, even a country toward which we occupy so exceptional a position as Mexico, we are arrogating to ourselves a power which cannot help but arouse resentment and we are attempting something for which we are peculiarly unfitted.

If the history of the last hundred years teaches any one lesson it is that we can best perform our mission on the American continent by the force of our example rather than by attempted interference in the internal affairs of our neighbors. A high regard for the sanctity of all our international obligations, and a firm resolve to promote the ends of social justice in our internal affairs will exert an influence on all the other republics of the American continent far deeper and far more lasting than any attempt to dictate to them the standards according to which their governments shall be organized and administered.

While the precise form of political organization which should

harmony with the training and capacity of the people, there are certain fundamental requisites of civilization indispensable to every country, no matter what its form of government. Unless life is protected, unless the fundamental personal rights are secure and unless adequate protection is given to property, civilization inevitably disappears. We have a real national interest in preserving these fundamental requisites of civilization in every part of the American continent, and this interest rises to the dignity of a national responsibility in countries toward which we occupy such an exceptional relationship as that which exists between Mexico and the United States.

The fact that Mexico is our neighbor, that over twenty thousand American citizens are resident in the republic, and that vast American interests amounting to over a billion dollars are at stake, place the country in a position totally different from that of any of the countries of South America. Everything that affects the peace, the welfare and the progress of Mexico is of interest to the United States. We can no more remain indifferent to the continued existence of disorder and anarchy in Mexico than we could have remained indifferent to those conditions when they existed in Cuba. The primary conditions of national self-protection, the fulfillment of our national obligations to Americans resident in Mexico, the performance of our duty in protecting the vast interests which our citizens have at stake in that country, and, finally, our larger obligations to the interests of western civilization, make it incumbent upon us to do everything in our power to preserve the primary requisites for the continued existence and development of this civilization. The relationship is not a personal one between the President of the United States and the President of Mexico, but involves the present and future welfare of sixteen millions of Mexicans as well as the heavy responsibilities which we have assumed for the lives and properties of our own citizens and the citizens of other foreign countries resident in Mexico.

Although we cannot insist upon any particular type of constitutional government in Mexico, it is our manifest duty to insist on the re-establishment of order, and to do everything consistent with a respect for Mexican dignity and sovereignty to contribute toward that end. It is a significant fact that at every period in our own history at which there has been a clash between constitutional government and the maintenance of order, constitutional government has always given way. The annals of our country between 1866 and 1871

obtain in any country must, in order to be effective, be in close bristle with illustrations of this fact. Are we then justified in insisting upon the application of political principles in a foreign country which we have not observed in our own? May we, in justice to ourselves and to Mexico, insist on conditions that condemn that country to anarchy, threaten it with disruption and jeopardize the very existence of civilized life?

However widely we may differ as to the proper course to be pursued in the present emergency, it is clear that the President's policy has not only thus far failed of its purpose to bring about the reestablishment of constitutional government in Mexico, but has produced results opposite of what was intended. The arraignment of General Huerta contained in President Wilson's message of December 2, 1913, brought to Huerta's support elements of the Mexican population that were at first bitterly opposed to him; it aroused for him the sympathy of many of the republics of Central and South America, and gave to him an international prestige which he could not otherwise have attained.

The discussion of the principles that have guided the authorities in Washington in the adjustment of our relations with Mexico should be approached in a spirit of helpful coöperation. It is of little value to discuss what might have happened if a different policy had been pursued. In fact, in the present situation, such criticism is likely to do more harm than good. On the other hand, constructive suggestions may be of real value in furnishing the basis for public discussion, and in contributing toward the formation of an enlightened public opinion.

Through a misconception of the elements involved in the present situation, the violent nature of some of the attacks on President Wilson's policy and the partisan nature of others have created the impression that the first step toward any change in our policy more favorable to the constituted authorities at Mexico City involves the formal recognition of the Huerta government. As a matter of fact, we have been in constant official relations with the Huerta government through our *chargé d'affaires* in Mexico City. These communications have dealt not only with matters affecting the present revolution, but have covered a wide range of subjects in no way related thereto. The refusal to give immediate recognition to the Huerta government does not violate the traditions of American

practice. Nearly two years elapsed between the assumption of power by President Diaz (November 28, 1876) and the formal recognition of his government (May, 1878).

While, therefore, the President need not reverse his policy with reference to withholding recognition, the present situation demands that the first step in a constructive, positive policy toward Mexico is the removal of the international boycott and financial blockade which the United States has instituted against the Huerta government. This boycott is a serious departure from the best traditions of American foreign policy and amounts to a systematic attempt on the part of the government of the United States to overthrow the constituted authorities of a sister state. It is an open secret that foreign governments have been notified that the United States will regard it as an unfriendly act if they or their bankers advance money to the Huerta government, and it is an equally well known fact that when the fiscal agents of the Huerta government entered into negotiations with European bankers for the floating of loans, these banks were notified by their respective governments that the United States was opposed to any such advances. It is this boycott rather than the withholding of formal recognition which is weakening the Huerta government, and which is contributing toward intensifying the condition of anarchy in Mexico.

The events of the past few months have shown that the government at Mexico City is one that possesses at least some of the elements of national and international responsibility, and it becomes, therefore, our solemn duty to refrain from a policy calculated to cripple the only authority worthy of the name. Unless we are prepared to take this position, we must assume the responsibility for the condition of anarchy to which we condemn the country.

With the removal of the international boycott as the first step in a constructive foreign policy, the next step will be the reestablishment of the embargo on the exportation of arms and ammunition, authorized by congressional resolution of March 14, 1912, established by President Taft by proclamation of the same date, and revoked by President Wilson on the third of February, 1914. [Since reestablished. EDITOR.] It is true that the congressional resolution goes beyond the strict requirements of our neutral obligations, but it sets an example to the world of the desirability of placing these neutral obligations on a distinctly higher plane. In a recent report on the

neutrality laws of the United States prepared under the auspices of the Carnegie Peace Endowment, Dr. Fenwick, in commenting on the congressional resolution of March 14, 1912, said:

This conditional restriction of the most important contraband trade may appear at first sight contrary to the rule of international law that neutral states are under no international obligation to restrict ordinary commerce in contraband on the part of their citizens. But . . . a belligerent, whose territory borders upon that of a neutral, might, by storing supplies in a neutral town on the frontier and drawing upon them at will, practically convert the neutral town into a base of operations for its armies. In other words, the fact that the neutral and belligerent countries are contiguous may create such changed conditions as to overrule the application of the principle of the freedom of contraband trade.

If these principles are applicable to cases in which the United States occupies the position of a neutral toward two belligerents, the necessity for their application becomes more urgent when we are dealing with insurgents whose belligerency we have not recognized. The fact that this embargo strengthened the hands of the constituted government, made it possible for us to contribute within the measure of our power toward the maintenance of a united Mexico. The lifting of the embargo, through President Wilson's proclamation of February 3, 1914, has served to strengthen the insurgent movement, and has practically made our southern frontier a base of operations against the constituted government of Mexico. We are thus contributing not only to the perpetuation of a condition of anarchy, but to the actual disruption of the country.

The United States is interested in an orderly, a united, a progressive Mexico, and must carefully avoid any action that may lead to the disruption of that country. Any attempt, therefore, at a solution of the problem on the basis mentioned must carry with it due notice to the insurgents that the embargo will again be placed on the exportation of arms and ammunition, and that the United States will see to it that the Texas frontier shall no longer serve as a base of operations for the insurgent forces.

There has been much talk within recent months of a secession of the northern states of Mexico, and the formation of a separate republic. If such a disruption of the country does occur, the United States will have to bear part of the responsibility for this calamity. The formation of such a northern republic would be but the beginning of a series

of intrigues between discontented elements in that section of the country and the people of Texas, which would probably end in a movement for annexation. Such annexation would not serve any real national purpose, and would mean a grave wrong to the people of Mexico.

The modification of our Mexican policy to the extent above outlined will pave the way for further constructive measures for the solution of the present difficulties. We can then raise the Mexican situation to the dignity of a continental question by securing the coöperation of the leading powers of South America, namely the Argentine, Brazil and Chile, in the form of an offer of joint mediation coupled with friendly representations indicating the necessity of a termination of the conflict in Mexico, and the desirability of an agreement upon a third person, acceptable both to the Constitutionalists and to the constituted government to assume the provisional presidency pending the calling of a new election. It is hopeless, however, to attempt to secure such coöperation until the United States recedes from, or at least modifies its present purely negative attitude toward the Huerta government.

Although it is desirable that mediation be raised to the dignity of a continental question by the united action of the leading American powers, there is no reason why such mediation should not have the support of the European governments. Such support would be in entire harmony with the Monroe Doctrine. Joint action with the European powers becomes dangerous when it takes the form of joint armed intervention. Such intervention would involve the United States in endless controversies with European powers, and might ultimately lead to armed conflict. The joint intervention of the European powers in Mexico in 1861 demonstrates the worthlessness of any agreements as to the scope and limits of such intervention. On the other hand, we must not forget that the combined investment of European capital in Mexico is second in importance only to that of the United States. The most accurate calculation indicates that the sum total of foreign investments is as follows:

American.....	\$1,057,775,000
English.....	321,302,800
French.....	143,446,000
Other foreign nations.....	118,535,380

The present situation has become intolerable, and it is evident that it must soon be brought to a close or armed intervention will become inevitable. As was recently said by the London *Spectator*:

Mr. Wilson has become the sport of events. . . . This terrible state of affairs is the result of the primary error of supposing that you can dictate to a proud and independent country, and at the same time respect its independence. The excellence of his motives remains unquestionable among the havoc of anarchy which they have created. . . . A policy, however, must be judged by its effects, not by its motives. . . . Wilson tried to dictate to Huerta while pretending that Mexico was a free and independent country.

The country owes a deep debt of gratitude to President Wilson for the determined stand that he has taken against armed intervention. The sacrifice of life and of treasure which such intervention would involve, and the heavy responsibilities which would be placed upon us for many years to come, make it a matter of vital importance to exhaust every possible means to avoid such a calamity.

The support which the people of the country will give to a policy of non-intervention makes it all the more important that we should adopt a positive, constructive policy. No matter how strongly the President may be opposed to armed intervention, the present anarchical conditions in Mexico must be brought to a close or conditions will arise which will make armed intervention inevitable. There is a logic of events far more irresistible and far more compelling than the logic of the human mind. Unless, therefore, our Mexican policy is adjusted to the re-establishment of order within the republic we will soon find responsibilities thrust upon us which we will be compelled, however reluctantly, to assume.

For my own part I firmly believe that we involve ourselves in hopeless difficulties when we embark upon an international policy which attempts to dictate who shall or who shall not be the governing authorities in a neighboring but independent country. Our attitude toward the republics of the American continent should be inspired by a desire to be of service to them, whenever possible, but we should studiously refrain from interference in their internal affairs, unless such interference is dictated by overwhelming considerations of national interest or international obligation. We may well recognize once and for all time that our government can do but little to accelerate the development of democracy in any foreign country, and that in attempting to do so we are likely to do quite as much harm as good.

The United States must permit the countries of the American continent to work out their political destinies in their own way, confident of the fact that as the masses of their population advance in education, in economic power and social efficiency, the democratic development in which we are so deeply interested will proceed, slowly it is true, but productive of permanent results. Any attempt on our part to force upon them either our standards of conduct or our methods of political action will only serve to arouse their bitter opposition, and thus thwart any higher purpose that we may have in view.

NOTE. This paper was read at a meeting of the Academy, April 4, 1914.

AMERICAN CITIZENS IN FOREIGN COUNTRIES

BY ROBERT J. KERR,

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The period of civil strife through which our neighbor on the south is passing has presented for solution by the American government many important problems. The Monroe Doctrine is involved and through it a number of questions affecting citizens and subjects of European nations and our own relations with their respective governments have come up for decision. The sovereignty of Mexico is at stake. The justice, propriety and expediency of declarations by the United States as to matters lying purely within the scope of the internal politics of Mexico are both upheld and denied. Indeed our government has been charged with having openly favored one faction in Mexican politics as against another, with having assumed a partisan attitude and having maintained such a position in spite of the manifest dangers of complications which might seriously embarrass our government and affect the privileges and rights of its citizens.

In all the discussion that has ensued since the authorities at Washington decided not to recognize the government of General Victoriano Huerta, with all the consideration that has evidently been given by our statesmen to other phases of the problem, it is most strange that the rights of one class of American citizens have been persistently ignored by our government and have apparently not been considered by the American public.

The fifty thousand American citizens who, before the conflict began in 1910, were living in various parts of Mexico, have been vitally concerned in the crisis, not only because, by their nearness to the scene of disorder and war, they have been the first to suffer, but what is far more important because misunderstandings and doubts have arisen as to their rights as American citizens.

Almost at the outset of the first revolution early in the year 1911 the President of the United States issued a proclamation directing American citizens resident in Mexico to return to the United States, abandoning their homes, factories, banks, shops and other enter-

prises and leaving their interests subject to the caprices of the contending factions in Mexican politics or at the mercy of the hordes of bandits who almost immediately began to ply their old trade of highway robbery so long suppressed under the beneficent régime of Porfirio Diaz. This proclamation and the principles or rules derivable therefrom, defining the rights of American citizens in similar circumstances, received the apparent endorsement of the present administration at Washington, because an exactly similar proclamation was issued in the summer of 1913.

Aroused to consider the limits and restrictions, as well as the privileges of their status as American citizens resident in a foreign country, by the promulgation of these two proclamations, the members of the American colony throughout Mexico sought to obtain from their government a definite, clear-cut and comprehensive statement on which they could rely in their future relations as residents in a foreign country. Actuated by motives of the highest patriotism, with the desire of informing their government as to the real conditions in Mexico, many of the prominent members of the colony offered to give to the government the benefit of their years of acquaintance with Mexico and Mexicans. How were these offers received? In every case the first question asked of the American so proffering his testimony was as to whether or not he had material interests in Mexico. Naturally in every case the reply was, certainly, the witness had there his home, his business, his friends and his family. In every case the fact of such material interest was considered by government officials as an absolute disqualification of the witness and he was refused an opportunity to testify. Ordinarily the rules of evidence are less strictly applied by administrative than by judicial officers, but no court would be worthy of respect which would refuse to accept the testimony of a witness simply because he might be interested in the subject matter under consideration by the court.

Not only has the testimony of individual Americans been thus refused time and time again by officials of the United States government, but duly constituted committees representing large bodies of American citizens have been denied an audience by representatives of their government solely on the ground that they were interested materially in Mexico and therefore were absolutely disqualified to testify as to the things which they of all men might be expected best

to understand by reason of their very residence among the Mexican people.

The foregoing statements outline the attitude of the United States government toward its citizens in foreign countries as indicated by its acts during the past three years with reference to Americans in Mexico. Apparently the position of the government is founded on three propositions: First, Americans who go to a foreign country go primarily to further their own selfish concerns; second, being prejudiced by selfish interests the opinions of such Americans are warped and not entitled to respect or consideration; and third, if an American goes to a foreign country, he must be considered as having understood and assumed all the risks of residence in such country and must by the very fact of his expatriation be held to have waived all claim for consideration and protection as an American citizen.

These propositions present to Americans resident in foreign countries, to their friends at home who are interested in their safety and welfare, and to all American citizens at home and abroad who prize their citizenship and love their country, a most astounding situation. Are these propositions supported by the facts and should the conclusion reached by the American government be approved by the American people?

At the very outset of the discussion one fact should be clearly understood and fully appreciated. Whatever may have been the fact in years past, it is most emphatically true today that Americans in Mexico (and the same is true of every other civilized country where American citizens have gone in the legitimate pursuit of commerce, trade and business) are *not* ticket-of-leave men, fly-by-nights, criminals and scapegoats, but, on the contrary, they comprise among their numbers men in every profession, trade and line of industry, to claim fellow-citizenship with whom would confer an honor on the best citizens who remain within the geographical confines of their country. Nor are these men in their self-expatriation actuated solely by the desire to "get rich quick," to make their fortunes in a foreign land because conditions there may be more propitious than in their own country. Modern business is most complex. It is impossible to say at what point the beneficent influence upon the well-being of all the people, flowing from the activities of a great commercial enterprise ceases, even when that point is far beyond

the geographical limits of the country. The humble clerk who assists in the distribution of American goods at some remote corner of the earth is contributing his small share toward the payment of the wages of the men who manufactured the goods, who, in turn, by spending their wages in the markets of the mother country, extend to thousands of others not connected with the industry or enterprise which claims the services of the clerk, shipping agent or salesman in a foreign land, a participation in the benefits realized from the work of the far-away American living under a foreign flag. Even though the influence of the single individual may be small, in the aggregate the efforts of fifty thousand Americans engaged in legitimate pursuits in a foreign land may make all the difference between prosperity and depression in the mother country, so delicate is the structure of our modern commerce.

It is absurd to suppose that the men who are chosen by the executive heads of great business corporations to take charge of their foreign offices, that the lawyers, doctors and engineers who serve their American clients in foreign countries, that the men who in subordinate positions comprise part of the great army of Americans in foreign countries are any less worthy of credence than men of the same class and station who remain in their native land. In fact, where, as in the consideration of the Mexican problem, it becomes necessary to understand and interpret the motives and actions of a people of another race with different ideals and different habits of thought, such men as these Americans of all classes ought to be especially qualified to report on conditions in the country where they have lived and worked, many of them for a quarter of a century.

Unfortunately there are too many of the stay-at-home Americans who passively accept the third proposition announced by the American government as correct. It seems very easy for many to say that the Americans who go to a foreign country must take their chances and fight their own battles. If this attitude were the result of a serious consideration of the various elements entering into the problem, it would be alarming indeed as indicating a decadence of that spirit of loyalty and patriotism which achieved independence, preserved the union and now has welded the elements of American citizenship into a powerful force for the advancement of civilization, peace and prosperity throughout the world. It must, however, be assumed that the American living a protected

life in the midst of the highest civilization the world has ever known, guarded on all sides by the watchful agents of his government, has given no thought whatsoever to the problems of his fellow citizen living in the midst of foreigners and without those influences and agencies which surround the citizen in his home land. It must be not callousness but carelessness that is responsible for the failure of the voice of public opinion to make itself heard when an American citizen comes to grief in a foreign country. Surely the ties of blood, interest and nationality are as strong with us as they are with our British cousins and yet what a different sight is seen in England when a British subject is menaced or harmed! Press and public unite in demanding that the person or nation guilty of treating with disrespect any Englishman, however humble, be forthwith called to account by the officers of the British crown who are the representatives of British sovereignty at home and abroad. It is because of this intense feeling of nationality that the British people have been able to extend their influence into remote corners of the earth and that Englishmen have been found for more than a century living the typical life of English gentlemen in the deserts of Africa, the jungles of Ceylon and the mountains of Mexico.

No patriotic American could wish to see his country's flag capitalized for merely mercenary profits by reckless promoters. Any illegitimate attempt to secure or maintain an improper commercial or legal advantage by claiming American citizenship and the protection that might be afforded on that account by the American government would be justly condemned by every patriotic American, but if we are to acquire and preserve the right ideals of American citizenship, there must be inculcated into the minds of all Americans, and particularly those of the great stay-at-home class, the conviction that American citizenship must be made to be a vital and valuable right and that the man who is so fortunate as to be able to claim that citizenship may count on the moral, political and, in the last analysis, military support and protection of his fellow citizens and of his government.

This conception of the significance of citizenship is not by any means new. The supreme court of the United States, in the celebrated slaughter house cases, in a discussion of the rights involved in American citizenship, announced that it is one privilege of an American citizen to be protected in his person, life and property

while in a foreign country. In other words, the declaration that all men are entitled to life, liberty and the pursuit of happiness, applies not only to all men who stay within the geographical limits of their own country, but also to all men of that country wherever they may go.

As if foreseeing that this question might shortly come to be a vital issue, the Democratic party, the successful party at the last general election held in the United States, incorporated into its platform a principle substantially identical with the declaration of the supreme court cited above. Theoretically, the administration at Washington is committed to the maintenance and support of the idea that American citizenship is a sacred right to be guarded and respected at home and abroad. Practically, from the viewpoint of the thousands of American citizens who are now living away from the home land, that principle, that ideal has not only not been observed but has apparently been entirely abrogated. This viewpoint has been illustrated by a paraphrase written by an American in Mexico of Kipling's well-known poem, "The Vampire," which bears on a story published in one of the recent magazines portraying the experience of a family of three, father, mother and son, in Mexico during the recent disturbances:

Two fools there were and their son they taught—

(Even as you and I)

That for their honor their Country fought—

(But it wasn't the least what their country thought)

Though the fools, in trouble, their Consul sought

• (Even as you and I).

But it's not the thought of what time has brought

That stings like a white hot brand—

It's coming to know that our Country don't care

(And what have we done that she should not care?)

And will not understand!

Without considering at all the tremendous loss of prestige throughout Latin America, which has been suffered by the United States during the past three years, the loss of prestige experienced by individual Americans as a result of the known attitude of our government toward them, has been incalculable. Perhaps, though, this crisis may have been necessary in order to bring to the fore this

very question, to rouse the American people and the American government to a proper realization of the seriousness of the subject.

Americans in Mexico have suffered long and patiently through the trying experiences of the past three years and in spite of repeated disappointments their spirits are still buoyed up by the conviction that sometime, somehow, the American public will come to understand their viewpoint and when once there is a general appreciation of the true situation, the ninety million inhabitants of the United States will be found to have just as keen sympathies, just as patriotic devotion as inspired our forefathers to meet other crises and solve other problems in the past; and they will demand that their government, which protects them in the enjoyment of life and liberty, shall also protect all of their fellow citizens everywhere and shall compel every nation throughout the world to extend to American citizens the fullest protections and guaranties and shall require the effective punishment of any individual or body of men who unjustly bring harm to an American citizen.

FACTORS AFFECTING THE POLICY OF THE UNITED STATES IN THE PACIFIC¹

BY REAR-ADMIRAL C. H. STOCKTON, U.S.N.,

Washington, D. C.

The topic of the afternoon is "The Policy of the United States in the Pacific." I think I am quite safe in saying from a governmental point of view that there is no policy of the United States in the Pacific at the present time so far as the general government is concerned. And how could it be so with a lack of continuity in the state department, even when it is carried on under the same party but with different participants, a break occurring in the continuity with a change of party, and an absolute lack of continuity in the diplomatic service in the high grades? Mr. Grahame spoke at this morning's session of subordinates who realize that the moment they attain sufficient distinction to be promoted they will be quickly removed. There is an approaching lack of continuity, I am afraid, in the consular service. Consequently, the phenomenon of the enunciation of what will be the policy of the United States in the Pacific is here entrusted to hands that have no official standing so far as creating that policy, but who will give you their own views as to what it should be. Certainly something constructive should be gained from such enunciations.

There are curious points in connection with the Pacific. The oldest state of California is only three score years and ten of age. The other states are newer still. Alaska with its rich material is simply approaching middle age. What is known as the slope of the Pacific, bordering on the Pacific Ocean, is practically the largest territory—in fact, the only home territory of any great power except that of Japan, and yet it has been isolated on account of its want of direct water communication with us and with Europe. I doubt whether in any Pacific port of the United States there is a line of steamers direct from Europe carrying passengers and freight. To an extent, the result has been that we have created a coastwise

¹Remarks as presiding officer at the session of the Academy, Saturday afternoon, April 4, 1914.

traffic on the Pacific coast which embraces practically all of the American mercantile marine of any value that we have, the only exception probably being the antiquated American Line running from New York to Southampton. The coastwise traffic and ships, as understood in the United States, are vastly different from those of any other country in the world. Others consider it to mean a continuous coastal traffic without any intermediate stops in foreign territory.

In the United States we first created our intercoastal traffic by the use of the Isthmus of Panama. We enlarged it by the use of Cape Horn and it has been further enlarged by the use of the Hawaiian Islands, and still further by the Philippines, so that practically the Pacific Mail Steamship Company carries coastwise traffic from San Francisco to Manila with incidental stops in China and Japan. Consequently, the comprehensive term of coastwise traffic means all that we have.

THE POLICY OF THE UNITED STATES IN THE PACIFIC

BY ELLERY C. STOWELL, PH.D.,

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What I have to say about our policy in the Pacific is based entirely upon considerations of our material interests. I do not lose sight for one moment of the importance of the so-called higher motives. They, however, are often only the emanations of material interests; in any event they are so elusive as to escape accurate analysis and must be left to the treatment of speculative writers.

The choice of a wise policy is hardly more important than the faithful and continued adherence to it when once decided upon. In the competition of great powers today, prestige is a very important factor, and vacillation in a country's foreign policy is most disastrous to its prestige.

Before we can formulate the policy of the United States in the Pacific we must ask ourselves what are our material needs and interests. What are we after? Do we want an outlet for emigration? No. Do we want land? Emphatically no. We want to make money; that is, we want to develop our trade with the countries bordering on the Pacific. We want to share in the prestige and the pecuniary advantages to be derived from helping in the industrial development of China. We are looking for a remunerative field for the investment of our surplus capital and a market for our manufactures, besides opportunities for our technical experts. All these advantages, in addition to what we shall gain from a larger importation of Chinese commodities, are our aims in the Pacific.

Of all regions in the world, China offers the greatest possibilities in this field. China is the key of the whole political situation in the Pacific. She is one of the principal factors in shaping the world policies of the great powers; and their efforts to secure commercial advantages have caused the keenest rivalry among them. The simplest method for a power to benefit commercially from a country is to secure its political control and manipulate its governmental

machinery so as to constitute a virtual monopoly of its trade and industrial development. This is the method which China's neighbors, Japan and Russia, have pursued in acquiring control of Manchuria and Mongolia. France has established herself to the south in Indo-China. Germany holds Kiao-Chau and looks upon the province of Shantung as accessory to that port. Great Britain has Hong Kong and claims a primary interest in the valley of the Yangtze in the event of a breakup of the Chinese empire. The United States alone of the great powers of the earth has had no territorial ambitions in China, nor sought to acquire the political control of one foot of Chinese soil. Our traditions and our economic situation have opposed such an attempt. We are well situated for carrying on our commerce across the sea and enjoy a high degree of civilization and industrial development. We have no need, therefore, of privileges or preferential treatment to secure our share in the commercial advantages offered by China. Hence we are opposed to the policy of partition or establishment of spheres of influence. We demand a field free for all. This is the policy of the open door, the maintenance of which we consider so important that we are ready to support it, if necessary, by force.

Now since the principal purpose of any new acquisition of Chinese territory would be commercial advantage, this policy of the open door has acted as a barrier to any such attempt. For what country would make the sacrifices to secure the control of territory, the opening up of which might bring no greater benefit to herself than to the other powers?

The consequence of this attitude of the United States is to secure us the sympathy of China, for she realizes the fundamental importance of our policy of the open door in helping her to preserve her political integrity and autonomy. The resulting confidence and friendship between the two governments is an everpresent—almost a controlling factor—in the actual diplomacy of the Far East.

So much for the positive side of our policy in the Pacific. But what are our apprehensions? What dangers do we foresee? We fear the competition of the Asiatic coolie. Those regions exposed to Chinese and Japanese immigration are united in considering the policy of exclusion a vital necessity. For the American laborer cannot meet the unrestricted competition of the Chinese coolie. The policy of the United States government based on popular approval must and

will exclude Chinese and Japanese laborers, even should this policy lead to war. But just as a corollary of our policy of the open door was found to be our friendship with China, so our policy of exclusion unites us in sympathy with Canada and Australia, no less determined than we, to protect themselves from Asiatic immigration. Having here a permanent basis for the maintenance of a common policy, we should endeavor to eliminate, in a spirit of mutual compromise, all minor grounds of difference. Canada and Australia, loyal as they are to the mother country, would throw over their allegiance rather than open their gates to Chinese immigration.

In the long years of our diplomatic relations with China, this question of exclusion has caused no little irritation. But now that we are determined to adhere to this policy, distasteful as it is to China, she takes into account the friendly diplomatic support our government has afforded her, and accepts the matter as no longer open to discussion. All China now asks is the admission of her merchants and students, and from this only advantage can result. Years hence when the Chinese government becomes more dependent upon popular demands, her laboring classes may force a policy of active opposition to their exclusion from other lands.

But China is not the only country affected by our policy of exclusion. There is the Japanese empire, which, however, has not the compensations which China finds elsewhere in our support of her policy. Quite the contrary. Japan finds us in her path at every turn. She might not object so seriously to our advocacy of the open door, provided the application were not made to Manchuria, which she holds by cession of Russia's twenty-five year lease, expiring in 1923. The fear that the United States will encourage China to assert her sovereign rights at the expiration of this lease was sufficient to reconcile Japan with Russia and led to the formation of an agreement for combined opposition against any attempt of the United States to support China in an effort to regain sovereignty over territory which has escaped from her control. Again in the Philippines the island empire finds rich possessions which but for the protection of the United States might be exploited for the benefit of the Mikado's subjects. Her own great naval strength—paramount in Chinese waters—would have made it possible easily to occupy and defend those islands. Turning toward Mexico she encounters an American veto of concessions made her in that country. In Korea, even, the

success of American missionaries has irritated her. The missionaries assert that the recent sanguinary repression of political conspiracies is nothing but an attempt to crush out Christianity. As if this were not enough, the proudest nation in the world, victor in one of the greatest wars of modern times, finds her subjects excluded from our territory, while illiterate and poverty-stricken immigrants from all parts of Europe are welcomed. It is in vain that the statesmen of the two countries refer to the opening up of Japan as a result of the never-to-be-forgotten mission of Commodore Perry, or recall that the United States was the first country willing to give up consular jurisdiction over its citizens in the Mikado's empire. Japan sees and appreciates the real situation; she wants to remain friends with the United States but her national pride demands she be excluded not by discriminations of race, but only on general grounds applicable to all immigrants. Aside from the sentimental consideration of national pride, America presents great opportunities for intelligent Japanese to amass wealth, and so develop the financial strength and taxable resources of the empire. The situation between the two countries is further embittered by a difference as to the rights which the Japanese enjoy by treaty stipulation to hold land in this country.

We are then face to face with Japan; the atmosphere is charged with electricity. The flash may come at any moment; but it does not seem likely that any such terrible disaster will occur; and one of the principal reasons is the similarity of our situation with Canada and Australia. As we have seen they fear Asiatic immigration even more than we do. Their urgent representations have impressed British statesmen with the necessity of helping them to maintain their policy of exclusion. Consequently Great Britain, the ally of Japan, is ready to go to great lengths to prevent a conflict between her ally and this country over the question; the more so as the last few years have strengthened the cordial understanding between the two English-speaking nations—an understanding which is so important an influence for peace and civilization throughout the world.

Japan will not attack us. If she had intended to strike she would have done so before the completion of the Panama Canal. But may we not question our justification in so vigorously supporting China's very natural desire to regain Manchuria and Mongolia? Might not a friend to China point out the advantages of Japanese and Russian control of these sparsely settled and as yet undeveloped provinces?

Capital, protected by Japanese and Russian credit, will flow in, Chinese merchants will reap a rich harvest, Chinese coolies will swarm over the land and increase the Chinese population manyfold. When all this has been accomplished, China, if she has been able to maintain a firm government capable of solving the difficult problems that face her in the vast territories remaining, will find it possible to regain her lost provinces by peaceful cession or by martial conquest.

In Mexico we can of course tolerate no interference on the part of Japan. She will never be allowed to retain any privileged position nor to establish settlements sufficiently populous to exercise any political influence. But would we be justified in helping the weaker states of South America to repel Japanese immigration? If we hold aloof, these states will of themselves react against an Asiatic invasion, and we shall have supporters in our policy of exclusion. We shall have behind us the strength of the united public sentiment of the two Americas.

Returning to the Philippines: are we justified in protecting inferior races—some of them among the lowest in the scale of human development—from the competition of that magnificent industrial machine, the Asiatic coolie? The European cannot multiply in these tropical islands; why then should we bar them to our brother race, fitted to supplant the Filipino as we have supplanted the red man? The answer is this: we must do it in the interest of the balance of power. China is likely some day to become the greatest power in existence, and the inevitable law of political development will draw all other powers together to check her supremacy. It would then be too late to pluck from her grasp these precious islands. As regards Japan, however, the situation is not quite the same. Japan, with poor soil, more limited population, and ruinous taxation, is never likely to become a menace to other nations. Our exclusion of the Japanese rests upon the exigencies of the present situation. There is also the possibility of Japan's making common cause with China at some future period.

We realize that this exclusion policy in the Philippines can be maintained only by a powerful navy. Unless it should secure the support of other European countries, it would have to be abandoned whenever the United States passed through a period of political embarrassment. An effective neutralization of the Philippines would obviate this danger. At present, however, such a solution does not seem feasible.

Great emphasis should be laid on the fundamental importance of a consistent adhesion to the policy of the open door. Our vigorous support of China in this direction should be balanced by the firm maintenance of our exclusion policy, vital not only to ourselves but also to our kindred communities, Canada and Australia. A powerful navy should protect our possessions in the Philippines, but we should cultivate the friendship of Japan and show our good will by refusing to embroil ourselves in the Manchurian question. We should refrain from interfering with her immigration to South America. After all, the world policy of the United States is based upon friendship with Great Britain and a determination to keep open a fair field for our commercial enterprise within the territories of South America, Asia and parts of Africa. On this continent it is called the Monroe Doctrine; in China, the open door; but the result is the same: to protect the weak; to lend them our support when in danger; and to help them to maintain their political integrity. Other considerations, it is true, enter into the Monroe Doctrine; but this purpose is a fundamental part of the doctrine comparable in its results with the policy of the open door.

Everywhere then we find the policy of the United States one of friendship—support of others, asking only a fair field for all. We are not bound by entangling alliances which Washington's farewell message bade us avoid, but our diplomatic coöperation with Great Britain and China is based on a deeper and safer foundation—permanent common interests and mutual confidence.

In conclusion—We have found the two cardinal principles of American policy in the Pacific to be: (1) The open door in China; (2) exclusion of Asiatic immigrants. A corollary of the principle of the open door is our friendship with China, while the danger of coolie immigration unites us in bonds of sympathy with other countries of European blood and traditions whose possessions border on the Pacific. Our Philippine policy is determined by our actual relations with Japan and by subconscious, almost instinctive, apprehensions that the most populous political entity of the world may become a danger to the independence of other states, should her teeming millions acquire and settle new regions of such strategic and economic importance as the islands ceded us by Spain.

THE UNITED STATES AND THE FAR EAST: AN ECONOMIC AND MILITARY PROGRAM

BY REAR-ADMIRAL RICHARD WAINWRIGHT, U.S.N.,
Washington, D. C.

If the history of the past is to be the prophet of the future, any discussion of the policy of the United States in the Pacific would be purely academic, as heretofore there has been no continuity of action in any direction and only occasional or spasmodic efforts to show what policy was favored by our country. But the growth of our manufactures has been so rapid that the demand for outside markets is becoming increasingly imperative. When the minds of the great business executives are turned toward the policies of the United States, as far as they affect foreign trade, we will begin to adopt a foreign policy. It will be late in the day, but it may be hoped not too late to obtain a reasonable share in the commerce of the world.

In the struggle for the trade of those countries south of us, there would seem to be no great need of intricate diplomacy. Fair play to all, respect for the strong like Chili, and encouragement and aid for the weaker states as Nicaragua, and quiet but firm insistence on the Monroe Doctrine, including the Lodge extension, would be all that would be required of direct diplomacy. We have been frequently unfortunate in our treatment of these countries, especially the strongest, Chili. Time and again she has been unnecessarily offended by our improper actions. Nearly all South American and Central American countries believe us to be individually honest, but diplomatically unsound. First Mr. Root and now Mr. Roosevelt and Mr. Bacon have helped to smooth our way. A continuous policy with trained diplomats to push it and we would soon be recognized as the best friend of all Americans.

In the Far East the situation is more difficult. Here we have generally been considered the best friend of both Japan and China, but have lost the advantage of the situation by occasional diplomatic blunders. The oriental is more difficult to comprehend than our southern neighbors and is more impressed by forms and ceremonies; this with extraterritorial jurisdiction in some eastern countries, makes

the necessity for trained diplomats the more urgent. Besides the policy of a square deal, which to some extent includes the "open door," we have the Asiatic exclusion policy to complicate our diplomatic efforts. This latter difficulty may be lessened if not overcome as we gradually turn against harboring the scum of Europe, and such exclusion acts can be drawn as not to hurt the *amour propre* of the Asiatic races.

Even with trained diplomats and a continuous policy we cannot expect a fair share of the Pacific trade without American ships and American banks. The establishment of banks is necessary to furnish reasonable accommodations to our merchants; and as long as we depend on foreign ships to carry our goods we must expect foreign manufactures to take first place.

The completion of the Panama Canal will not only stimulate trade in the Pacific and add to our natural advantages for the distribution of our goods, but it will also put us in a stronger military position and therefore will make us better able to reënforce our diplomatic efforts. Poor diplomacy may prevent the success of strongly supported policies, but the best diplomacy is futile unless duly supported by naval and military power. All history supports this statement, although there is a tendency to ignore the teachings of history both ancient and modern and to put trust in unregenerated human nature.

Our occasional policy in the Far East is a fair illustration of the use of military power.

Commodore Perry's diplomacy, when Japan was opened to the countries of the world, was backed by a strong show of force for those days. In later days, although in the opening of Korea Commodore Shufeldt was aided by the Japanese, it was known that our fleet was behind him, and they had had a taste of our fleet under Admiral John Rodgers at Chemulpho some years before. Even as late as our declaration of the open door there was considerable power behind the policy. We had shortly before acquired the Philippines and we had large military and naval forces in Asiatic waters.

To strengthen our policies and to defend our coasts we have three strong home bases on the Pacific: Panama, San Francisco and Bremerton. We are forming a strong base in the Hawaiian Islands, and it is to be hoped that Guam will soon be strongly fortified. Now in holding the Philippines we are an Asiatic power and our position in all eastern affairs is much stronger for this, provided we hold them

strongly. But because of their distance from our coast, the Philippines as now held are a source of weakness in case of trouble with Japan. The proximity of that country to the Philippines, with her great military strength, would enable her to throw a large force into the islands before our fleet could arrive. It is extremely unlikely that we will ever maintain a sufficient force of our own army in the islands to ensure their security until the arrival of the fleet. A territorial army seems to me to be the solution of the problem. We have the example of the British in India, and by a continuous flow of short-time men through the territorial army, with a liberal supply of our own officers and non-commissional officers, a powerful force for defense could be soon created. This territorial army would be a valuable part of our educational system in the Philippines and nothing could be better adapted to fit the native races for self-government than a short term of military training. Our Porto Rican regiment and the Philippine scouts form excellent examples. The expense of such an army would not be great as the young men under training would not have reached the self-supporting age and it would only be a question of bookkeeping whether they were supported in idleness by their families or under arms by the government. With the Philippines strongly held our voice for good would be potent in the East.

We need the friendship of all our southern neighbors as an aid to the defense of our country for we need the support of the strong and the acquiescence of the weak in the Monroe Doctrine; but we need all the factors mentioned, American shipping, American banks, a continuous policy urged by trained diplomats backed by adequate force, if we are to obtain our just and necessary share of the trade of the Pacific. Even now our manufactories can seldom run full time, our home markets are glutted and we must reach out for a share of the world's trade if we would have contented workmen and prosperous merchants.

THE RELATIONS OF THE UNITED STATES WITH CHINA AND JAPAN

By T. IYENAGA, PH.D.,

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Before proceeding I beg your leave to say that I stand here not as a representative of any authority, government or association, but simply as a student of international politics and a private citizen of Japan, and consequently, for what I speak I am solely responsible.

In the discussion of such a big and comprehensive subject as that before us, it is well, I believe, to confine myself to one phase of it, namely, "The Policy of the United States in the Pacific," as it is revealed in its dealings with two of the most important factors in the Pacific problem, Japan and China. In trying to elucidate my point, however, I have, to confess at the outset that I find it difficult to get a clear, intelligent understanding of the American policy in the Pacific and am sometimes at a loss to know whether there is any definite policy at all. For the glorious record of diplomacy America has achieved in Tokio and Peking during many decades past has lately been much obscured, if not totally eclipsed, by another story that tells of America's dealings on its own soil with the Asiatic neighbors.

Take the case of America with Japan. In the history of international relations no record is so unique as that of the intercourse between Japan and the United States during the first five decades of its existence—so romantic in its inception, so pervaded throughout by mutual good-will, and so fruitful of untold benefits to mankind at large. Strikingly dramatic is the scene that introduces the first chapter of that intercourse. To the nation still enjoying a torpor of centuries and only equipped with bows and arrows, swords and spears, Commodore Perry suddenly makes his advent with the stately fleet of eight ships, armed with 230 cannons. And, contrary to the world's expectation, the adroit soldier-diplomat succeeds in forcing open the door of the nation that had for ages been hermetically closed against aliens, without a shot being fired, a man wounded, or a junk sunk. For his was truly a peaceful mission. Behind that outward display of force, under that glittering uniform of the Commo-

dore, there was hidden the spirit of American friendship toward Japan which he had been commissioned to disclose. That Japan soon discovered it and remembers it with gratitude is evinced by the monument which now stands on the very spot of Perry's first landing, and which, backed by the everlasting green hills of the Mikado's land, overlooks the blue waters of the Pacific that binds in common embrace the two nations on its opposite shores.

The genuine Americanism found its finest expression in Perry's successor, Townsend Harris. With that simplicity, honesty and frankness worthy of a true American, and with consummate tact and infinite patience, Harris overcame the innumerable obstacles, ignorance, suspicion and prejudice, put in his way, and finally signalized his triumph by becoming the confidant and adviser to the Shogun's government. The American policy of justice, fair dealing, and friendliness, thus inaugurated, was consistently pursued by all the succeeding administrations, and put into practice by able envoys who represented the President of the United States at the court of the Mikado—Pruyn and Bingham, Buck and O'Brien, Griscom and Anderson.

The refunding of the Shimonoseki indemnity, the willing heart proffered for the revision of old treaties, the good office rendered to bring about the peaceful settlement of the Russo-Japanese war, the commercial treaty negotiated under the Taft administration that facilitated the successful conclusion of new treaties with other powers—these are a few instances, the prominent posts on the road of Japanese-American intercourse, that will recall to us hundreds of other instances: herein we witnessed the realization of what General Grant said "Whatever America's influence may be, I am proud to think that it has always been exerted in behalf of justice and kindness."

On the part of Japan, I am also proud to think that she has given a ready and most appreciative response to this generous policy of America, and that it has received its merited reward. Indeed, the sentiment of gratitude toward America has pervaded the whole nation. To be an American was, therefore, the surest badge which commanded respect and love of the Japanese people. Mr. Seitz, managing editor of the *New York World*, well says: "There is something painful about the childlike faith and grateful good-will manifested toward the American visitor by the people of Japan, in perpetual acknowledgment of their debt to the United States."

No record of international relation, let me repeat, is, then, more beautiful and ennobling than that which has blessed the American-Japanese intercourse for the past half a century—justice, moderation, magnanimity on one side, and gratitude and appreciation on the other.

No less inspiring is the story that tells of the American-Chinese relation. From the time of Burlingame to the time when President Wilson took the first step among powers to recognize the Republic of China, American diplomacy in China has singularly been free from selfish motives, and has uniformly sought to be guided by the noblest principles of international intercourse. No wonder, then, that China has at all times regarded the United States as her best friend and trusted adviser. Especially should China be grateful for the masterly diplomacy of John Hay, which, together with the efforts of other friendly powers, was instrumental in saving her from disruption.

Turn from this bright page of diplomatic history to another page wherein is written the story of America's treatment on its own soil of the Chinese. We are at once bewildered by the striking contrast presented on the two pages. While America in common with European powers, prompted by their own humanitarian ideas, has forced thousands of missionaries upon the unwilling Chinese, and proclaimed therein the doctrine of the open door, she has on her own part closed tight her doors against the Chinese. More than this, the Chinese on this shore have been made the objects of derision. They have sometimes been mobbed, outraged, murdered. And these wrongs have seen no due redress. I am not taking upon myself the self-imposed task of an advocate of China. Nor am I picking a quarrel with the American Congress for enacting the Chinese exclusion bill. For my part, I believe there is a just ground for the enactment of such a law; the American nation has every right to protect itself by any means it deems fit from the danger of being overcrowded by undesirable immigrants, whose home government is too weak to control in its hand the matter that affects an international relation. What I am chiefly after is to know what is the American policy in the Pacific. Is there one American policy in the Pacific for this side of the water, and another for the other?

Far more glaring becomes the inconsistency of the policy when it is studied in the light of the recent happenings in Japanese-American relations. That the United States will not place Japan in the same category of nations with China is, I presume, a premise I can safely

take for granted. For, although geography assigns Japan among Asiatic nations, she occupies by culture and civilization a totally different plane from that attained by her Asiatic neighbors. Since Perry introduced her into the family of nations, Japan has by dint of energy reconstructed her whole scheme of life, political and social, and is now evolving a unique civilization of her own, whose standard is not different from that of the west. Moreover, Japan has clearly demonstrated her ability to stand upon her own feet and defend her rights and privileges. Japan has a strong government capable of enforcing its will upon her own people, and of fulfilling any pledge made to foreign governments. She has, for instance, kept the so-called "gentlemen's agreement" with utmost faith, in fact, so rigidly that at the present day no student without means can ever hope to come to this country for education. In short, Japan has every right, I confidently believe, to receive the same treatment accorded to great powers. I would have considered the foregoing remarks as vain and out of place, had not the California episode given me a rude shock and forced upon me the necessity of stating in succinct terms Japan's position, in order to strengthen the point I am soon to make.

There is, however, no need of entering here into the details of the California-Japanese question, still less into its pros and cons. After all, California is only one of 48 states forming the Union. What most vitally concerns our subject is this: Is the American policy in the Pacific such an unsettled, weak policy, as to be over-ruled and dictated by the whim of one state? It is, of course, presumptuous for a foreigner like myself to attempt to give any answer to such a question. He will, however, be permitted to say how difficult it is for him to understand the action of the California legislature in enacting, in face of the strongest protests of the Washington government, the anti-alien land law, which is clearly and distinctly discriminatory against the Japanese, nay, in fact, solely aimed against them, and, hence, unjust, unfair, and at direct variance with the policy America has pursued toward Japan for the past half century. The only explanation that suggests itself to me is that the American people have not yet uttered their voice in unmistakable terms on their policy in the Pacific, loud and distinct enough to command respect and obedience to it by every state in the Union. As a consequence, the strangest of anomalies such as we have witnessed last spring is presented. In that episode it is sad to remember how the good and mighty President of the United States sent protest after protest to

the California legislature, asking it to desist from passing the Webb bill; how the secretary of state flew across the continent to plead at the door of the California assembly for delay in action while efforts were being made to meet its wishes by diplomatic means. These protests and pleadings, however, proved of no avail. California enacted the land law, then went her own way, busying herself with the Panama Exposition and the like. In the meantime the President and the secretary of state took patiently, to use a mild term, upon their own shoulders the burden of devising the ways and means of mending the international issue raised by California's action in which they took no hand whatever, nay, against which they had so strongly protested. I have perfect confidence that the issue will see an ultimate amicable settlement based upon broad and just principles and in harmony with the best interests of both nations, although how and when it will be accomplished is beyond the knowledge of the speaker who is outside the sacred pale of diplomacy.

What we, your neighbors, are most concerned about is to see the definite formulation of the American policy in the Pacific, which would of necessity put to rest such trouble as that in California. Is it to be based upon the same principles of justice, fair dealings, and friendliness that have guided the American policy during the past toward its Asiatic neighbors, and to be put into practice on both sides of the ocean? Will it be an imperial or pacific policy? Will the magnificent navy of the United States which could easily be made the first and finest of all navies in the world, if America so wishes, by the enormous resources she has at her command—will this navy be used for the maintenance of order and peace in the Pacific, or will it be employed to overawe other nations and to perpetuate the wrongs perchance perpetrated by America? Will the splendid position America occupies in the Pacific with Hawaii, Guam and the Philippines as stepping stones over the waters—will these spots stand as sentinels of light and security for the commerce of the world to prosper, or as mere strategic grounds for the American navy to maneuver? Now and then an idle talk of giving up the Philippines is heard among some Americans. We, your neighbors, never wish that such a thing will come to pass. For one, I heartily agree with ex-President Taft in thinking that a grave responsibility has been laid upon the American people that should cause them ever to retain the islands and govern them for the benefit of all—the Filipinos, Americans and the world at large. The Philippines again constitute

an important factor in the Pacific problem. Statesmen have not been lacking who foresaw its importance. Mr. William H. Seward pointed out, fifty years ago on the floor of the American Senate, that "the Pacific ocean, its shores, its islands, and the vast region beyond, will become the chief theatre of events in the world's great hereafter." Ex-President Roosevelt declared not many years ago that "the Pacific era, destined to be the greatest of all and to bring the whole human race at last into one comity of nations, is just at the dawn." Have the American people as a whole risen to the height of prophetic vision that inspired those statesmen? Have the people at large come to the full realization of the great significance of the Pacific drama? And in the unfolding of this interesting act, I am happy to say, Japan is always ready to join hands with America in heartiest coöperation.

The vast reaches of the Pacific rebuke the narrow suggestions of covetousness and jealousy. The ocean is broad enough to accommodate without jostling all the navies and merchant fleets of the world, now in existence or hereafter to come. Those who have never seen the Pacific's vast expanse or visited its distant shores, are the only people who fall victim to such claptrap, which Professor Coolidge happily calls "mastery of the Pacific" or "dominion of the seas." Peace and amity can reign among great nations interested in the Pacific for thousands of years to come.

To conclude, then, as I began, by referring to the American Japanese relations. That the old relation between America and Japan, of a tutor and a pupil, would continue, is not to be expected. Japan has already attained her maturity. She will look up to America as a friend or an ally; the United States will treat Japan as an equal. If they are competitors in the Chinese market, each will prove to the other a manly and healthy rival. This passing of old relationship, however, never means that with it the former cordial friendship should also go overboard. God forbid. The reasons that urge their closer bond are stronger and louder than ever. The common ideals of civilization which both America and Japan are solicitous to impart to Asia at large, the common policy in China—the maintenance of its integrity and of the principle of the open door—the common interest in the Pacific to develop its vast hidden resources, and the ever increasing importance of trade between the two countries—these are strong arguments for the ever closer American-Japanese friendship, which no sophistry could elude, no local issue overwhelm.

THE RELATIONS BETWEEN JAPAN AND THE UNITED STATES

BY JIUJI G. KASAI,

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When the sea-captains of Salem and Boston brought home silks, teas and spices from the Orient; and when the American mariners sailed the seas of Japan in search of whales, it became necessary for the United States to open the secluded empire of Japan which had been kept in isolation for three hundred years. The subsequent rise of American commerce in the Far East at once attracted the attention of the American statesmen. In 1832 when Edmund Roberts was appointed by President Jackson as an "agent for the purpose of examining in the Indian Ocean the means of extending the commerce of the United States by commercial arrangements with the powers whose dominions border on those seas," he was instructed to obtain "information respecting Japan, the means of opening a communication with it," and to seek to establish official relations with the island empire. In 1833 he concluded the treaties of amity and commerce with Siam and Muscat, but the prospect was so unfavorable that he did not attempt to visit Japan. When he left Washington in 1835, on his second visit to the Orient to exchange the ratifications of the treaties he had concluded with Siam and Muscat, he carried with him a message of President Jackson to the Emperor of Japan, and a considerable collection of presents. But Roberts died in Macao in 1836, and his squadron returned to the United States without reaching Japan.

From that time on, several attempts were made by the United States to open Japan until finally President Millard Fillmore sent Commodore M. C. Perry with his message to the Emperor of Japan, with the object of negotiating a treaty to secure "friendship, commerce, a supply of coal and provisions, and the protection of our shipwrecked people." When, on July 8, 1853, Commodore Perry's "black squadron" appeared in the Bay of Yedo, the people of the whole empire were panic-stricken, and the government of the Tokugawa Shogun was paralyzed with fear. Seeing the gravity of the

situation the Shogun's government refused to treat with the American envoy, and Perry left Uraga on condition that he would return the following spring for a reply. In the meantime the statesmen of Japan were seriously discussing the need of the opening of the country, realizing that Japan could no longer keep herself isolated from the incoming "barbarians." With a reënforced fleet of three steam frigates, four sloops of war and two store ships, all cleared for action, Commodore Perry reappeared in the Bay of Yedo in February, 1854, with his strong determination "to demand as a right, not to solicit as a favor, those acts of courtesy which are due from one civilized nation to another—due to the dignity of the American flag."

After careful deliberations, the Shogun's government appointed Hayashi-Daigakunokami and three other commissioners to treat with Perry. Thus, on March 31, 1854, the first treaty Japan had ever negotiated with a foreign nation in the nineteenth century was formally signed at Kanagawa by the representatives of the United States and Japan. The coming of Commodore Perry, therefore, marked a new epoch in the history of modern Japan. By his firm demands and persistent efforts, American diplomacy won the first triumph in the dealings with the island empire.

In the treaty of Kanagawa, it was provided that the two ports of Shimoda and Hakodate be opened to the visit of American citizens, where they would enjoy more freedom than did the Dutch at Nagasaki. To improve this treaty, in 1857 Townsend Harris came to Shimoda as the first American consul-general, and on July 17 he concluded with the government of the Shogun a treaty regulating the commercial relations with Japan. In the following year the treaty of Yedo was signed on July 29, by which the United States secured the rights of trade and residence for her citizens, low import duties and the privilege of extra territoriality to her citizens in Japan. By his honest diplomacy and wise counsel Harris won the confidence of the Japanese nation, and he left the deepest impression of America's goodwill in the hearts of the Japanese people.

Such is the brief account of America's introduction of Japan into the comity of nations. From that time on, the United States has befriended Japan against the perils of foreign aggression, and Japan, in turn, has revered America as her teacher and true friend. When the island empire fought against the mighty Russian colossus upon

the arena of Manchuria, the American people gave moral support to Japan, by their constant sympathy. But unfortunately when the titanic struggle was over, and we had hardly fulfilled the hopes and expectations of the liberty-loving American people, there came the cries of jingoes and demagogues: "Beware of Japan's warlike ambition to master the Pacific at the expense of the United States." The rise of Japan was looked upon with jealousy and suspicion in some quarters, and the friendly feeling of the American people seemed to have suddenly changed into a hostile attitude toward Japan.

At this juncture, the "school question" of San Francisco was fomented through the connivance of Mayor Schmitz of San Francisco, and O. L. Tvietsmoe, one of the notorious leaders of the MacNamara dynamite conspiracy. Less than one hundred innocent Japanese school children scattered in the public schools of San Francisco were made the targets of the merciless anti-Japanese labor union men, and the bogey of the "Japanese invasion" was created to threaten the minds of the American people. Tvietsmoe thereupon organized the Japanese-Korean Exclusion League, and sent walking delegates to Portland, Seattle, Bellingham and even to Vancouver, B. C., to create an anti-Japanese movement; and they have used, since then, every means to stir up hatred against the Japanese in the United States. President Roosevelt used strong words to deter the anti-Japanese agitators in California, but all in vain. Thus, the "school question" was employed by these agitators as a means of open insult to the Japanese. Thereupon, the Japanese government sent Baron Ishii, the present ambassador to France, then the head of the bureau of commerce in the department of foreign affairs, to the Hawaiian Islands, and the Pacific coast states to investigate the condition of the Japanese. In the course of his investigation Baron Ishii witnessed how his countrymen were treated with injustice and humiliation in a certain part of the United States. While the question was still pending, on December 4, 1906, President Roosevelt in his message to Congress paid high praise to Japanese civilization and culture and recommended to Congress that "an act be passed specially providing for the naturalization of Japanese who come here intending to become American citizens." Later, immigration regulations were made by which the Japanese in the Hawaiian Islands, Canada and Mexico were prohibited from entering the United States. Finally, Japan was forced to enter into a "gentleman's agreement"

by which she should henceforth prohibit her laborers from coming to the United States.

The popular feeling in Japan ran high to see such injustice and discriminations against the Japanese in the United States, and the weak and submissive policy of the Japanese government invited severe criticism of the people. When an interpellation was made in the Japanese parliament as regards the government's American policy, the late Count Komura, then minister of foreign affairs spoke on February 2, 1909, as follows:

As regards the question of measures unfavorable to the Japanese which are pending in the California legislature, the imperial government, relying upon the sense of justice of the American people as well as the friendly disposition of the federal government, confidently hopes that such questions will not lead to any international complications.

Several cabinets have come into existence and ministers have been changed since this pronouncement of Count Komura, yet the Japanese government has been uniformly consistent in her traditional policy toward the United States. The Japanese people on the other hand have hoped to receive justice from the United States which for the last sixty years has been their friend, and which has sent them missionaries to preach justice and equality; but they have been bitterly disappointed.

While the Japanese-American relations were not improved to an appreciable degree, the Panama-Pacific exposition bill passed Congress, and San Francisco was chosen as the site of the fair. Seeing that the success or failure of the exposition depended largely upon Japan's willingness or unwillingness to participate, the directors of the exposition sent special commissioners to persuade the Japanese government to take an active part in the fair. They assured the authorities in Tokio that although California, through some undesirable elements, had repeatedly humiliated the Japanese, they would see that thereafter no such discriminations should be made against the Japanese. Thereupon, the Japanese government voted one million dollars to participate in the exposition and to build a lasting monument to present to the city of San Francisco after the fair, and sent commissioners to choose the site for the buildings. But no sooner had the friendly voice of those American commissioners of the exposition given proof of genuine friendship of the American

people, than the anti-Japanese measure was again introduced in the legislature at Sacramento. Although President Wilson sent his peace-loving secretary of state to Sacramento to prevent the passage of any legislation hostile to the Japanese which would mean an affront to a friendly nation, Governor Johnson with his defiant attitude turned a deaf ear to the supplication of the chief executive of this great nation. The Webb bill was passed and the Japanese were prohibited from owning land in California. Mr. Bryan returned to Washington without being able to accomplish the purpose of his mission. With the agreement of the anti-Japanese leaders in California Mr. Bryan recommended the appointment of Mr. Caminetti, the most anti-Japanese member of the California senate, as commissioner-general of immigration, and he, since his appointment, has made wholesale accusations against the Japanese and has made most stringent immigration regulations particularly against the Japanese.

Already a year has gone by since the passage of the alien land act which is aimed at the Japanese, but no satisfactory solution has been reached by the two governments. Japan has been very frank and sincere in dealing with the California question. What she wants is honor and justice; and to receive, in the words of Commodore Perry when he opened Japan, "those acts of courtesy which are due from one civilized nation to another." Beyond this she has claimed nothing. Yet there are many writers in this country who have maliciously asserted that Japan has shown the mailed fist to bluff the American government. I ask these people to read the history of the anti-Japanese agitation for the last ten years with their own eyes and without prejudice. The following statement of Prof. J. H. Latané of Johns Hopkins University, in his convocation address at the University of Chicago, August 29, 1913, apropos of this question, represents this class, and would hardly bear honest analysis: "Japan is merely taking advantage of our present embarrassment to extort from us certain concessions. In this she displays greater shrewdness than wisdom. It would be a serious mistake, therefore, for the United States to yield to the Japanese pressure." To such a charge no reply is necessary.

There is another serious misapprehension in the minds of the American people, that is the supposed danger of coolie labor undermining the wage system of this country. As a matter of fact no

'coolies' have ever immigrated into the United States from Japan. The Japanese government has always issued passports to her subjects who have come to the United States, and the standard of qualification of the applicant was so high that no one without some education and means could procure a passport. The Japanese immigration cannot be classed with the Chinese coolie laborer. It can be safely stated that the Japanese immigrants are far superior not only to other Asiatics but also to the immigrants from many European countries. Moreover since Japan has entered into the "gentleman's agreement" the regulation has been so stringent that it is almost impossible for even a student to procure a passport to come to the United States for study. When we think of the American-Japanese relations and consider that many Japanese students who have studied in the United States have always been the best ambassadors that America could send to Japan, it is lamentable for the comity of the two nations that these youths of high ambition are prevented from coming. Thus the number of the Japanese in the United States decreased tremendously since the "gentleman's agreement." According to the report of the commissioner-general of immigration of the United States, the total number of the Japanese of all classes entering the Hawaiian Islands and the continental United States for the five years ending June 30, 1913, was 23,496, while those returned to Japan during the same period numbered 46,209, thus showing an actual decrease of 22,709 in these five years. Does this look as though the "Japanese invasion" were imminent?

It is alleged also that the Japanese laborers in California crowd out the white men from the farm with cheap labor. But, according to the report of Mr. John D. Mackenzie, the commissioner of labor of the state of California, the average daily wage paid to the Japanese laborers in agriculture is \$1.49 with board, and \$1.54 without, while that of white help is \$1.38 with board, and \$1.80 without. The average daily wage of the Japanese laborers employed by the Japanese farmers is \$1.75 with board. Mr. Mackenzie went still further in saying that the skill and efficiency of the Japanese laborers are without equal, and California needs Japanese labor. It has been alleged that the Japanese would own all the fertile land in California. But, out of their patience and toil the Japanese farmers in California have bought only 26,707 acres out of 17,750,000 acres of arable land in that state.—less than one-seventh of one per cent.

Such has been the attitude of the United States toward the Japanese in America. While she has been erecting barriers against the Japanese upon her own soil, and is trying to extend the time-honored Monroe Doctrine to the Far East, she is using her aggressive policy in eastern Asia, to cope with Japanese expansion and development in that part of the world. Japan on the other hand feels that she has an inalienable right in the Far East to preserve her superior position, and to take any course of action required for her self-preservation and defense. But she has no intentions of extending her political sphere upon the western hemisphere. Although Japan has no political intentions in Mexico, the Lodge resolution was passed in the Senate early in 1912, when a certain jingo created the "Magdalena Bay" affair, in order that he might make a fortune by selling a barren land of lichens at a high price. In regard to Mexico, Japan has been extremely cautious not to injure the feelings of the United States. The Japanese government has never tried to have an iota of political control over any bays or harbors in Mexico or in any other part of this continent.¹

In regard to Japan's Manchurian policy, she has strictly adhered to the principles of the "open door" and equal opportunity. She has never used any discriminating policy against foreign merchants, as has been so frequently alleged, by charging higher tariffs or railway rates than she has charged her own nationals. By her proximity to the market, cheaper transportation, better banking facilities, and superior knowledge of the needs and taste of her customers, Japan has been able to compete successfully with foreign merchants in Manchuria. Moreover, it is patent that international trade is exchange—the exchange of the products of one country with those of another. So with the trade between Manchuria and Japan. Japan, being the only importer of the soya bean, the chief agricultural product of Manchuria, in return exports cotton manufactures from her factories. In discussing the trade relations with Manchuria, Dr. Toyokichi Iyenaga, former professorial lecturer of the University of Chicago, says:

It is in the trade of cotton goods alone that Japan has played the rôle of a successful competitor of America. Japan has developed the trade in Man-

¹ Just recently, although she was asked to take charge of the Mexican embassy at Washington by General Huerta, she declined because of her friendly attitude toward the United States.

churia from nothing in 1900 to 151,400 pieces of sheeting, 52,000 pieces of drill and 1800 pieces of shirting in 1908, while the American trade of 1,140,620 pieces of sheeting and 442,291 pieces of drill in 1904 has dropped to 515,195 pieces of sheeting, and 194,570 pieces of drill, in 1908. . . .

Further it must be added with emphasis that, if the American cotton industry has suffered to some extent in Manchuria by the Japanese competition, the American cotton growers have by no means been losers. The raw cotton imported in 1910 from the United States to supply Japanese cotton mills was valued at 17,193,128 yen. The American cotton import of 1911 reached a phenomenal value of 60,000,000 yen! We can see no reason why the cause of manufacturers alone should find its defenders, while that of the farmers is left unnoticed.

It is unfortunate to recall the proposal of Secretary Knox to Japan to neutralize the South Manchurian Railway. It was condemned at that time alike by American public opinion and by the Japanese people. This suggested policy, according to Dr. David Starr Jordan, chancellor of Leland Stanford Junior University, was "personal only—was never acted upon, never approved by the American people and no official action was ever based upon it." Next appeared a scheme of American capitalists to build the Chinchow-Aigun Railway as a rival to the South Manchurian Railway. It was followed by the proposal of the four power loan of \$50,000,000, the interest to be guaranteed by all the unhypothecated resources of Manchuria and with the provision that China should come to the four powers for future loans, thus dethroning Japan from her primacy in Manchuria. To Japan, Manchuria is hallowed ground. Upon this plain, twice she fought for the sake of her national existence. Two billion yens of her treasure were spent, and the precious blood of one hundred and thirty thousand of her noblest sons was shed for the honor of their beloved Nippon. After the glorious victories at Nanshan, Port Arthur, Lioyang and Mukden, at such an enormous cost of blood and treasure, what has Japan received as the trophies of war? Only 750 miles of railways in South Manchuria, and the lease of the Kwantang province of 1,303 square miles! What answer could Secretary Knox logically expect from Japan? How could Japan be expected to give up the precious prize at the suggestion of a nation which has no vital interests in Manchuria and no comprehension of the deep problems there involved, and has never sacrificed a penny of her treasure or a drop of her blood?

In discussing the policy of Secretary Knox, Mr. Hamilton Holt, editor of the *Independent*, says:

Our attitude in respect to Manchuria was very much the same as though Japan went to our border state Mexico and said: "See here, Mexico, the United States has a good deal of money invested in your territory. It is a menace to your integrity. We suggest that you let us raise a loan, so that you can pay the United States what you owe her and then tell her to get out. You can come to us only for *all* future loans." If such a proposition were made by Japan to Mexico nearly every editor in the United States would be shrieking for war. But the Japanese are very self-controlled people. They say very little. They feel, however, that they have the same right in eastern Asia that we claim in this hemisphere under the Monroe Doctrine, that is an inalienable right to take any proper course requisite for self-preservation.

Thus, this "great blunder" of Knox's diplomacy has served to bring Russia and Japan together for the mutual protection of their property and interests in Manchuria. Japan defended only her true rights when she refused this proposal. She has justly acquired those rights by the treaty of Portsmouth, and by the treaty of Peking of December 22, 1905. She will never relinquish those interests and rights, but will protect them with all her might. But these have nothing to do with the "open door" policy; Japan has always adhered to the principle of equal opportunity, and she will ever maintain that principle.

While the attitude of Japan toward the United States has been very frank, yet from my personal observations, I am inclined to believe that the policy of the United States toward Japan has undergone a complete change since the time of the Russo-Japanese war. Prof. Sidney L. Gulick of Doshisha University, Kyoto, who has lived in Japan more than thirty years, in his recent work, *American-Japanese Problems*, says:

The present Oriental policy of the United States as a whole is, in important respects, humiliating to the Oriental and disgraceful to us. Professing friendship in words, we deny it in important deeds. Demanding an open door for Americans in Asia and equality of opportunity for our citizens with that accorded to citizens of the "most favored nation," we do not ourselves grant these same things to Asiatics in our land.

In summarizing, then, Japan's attitude toward the United States has always been one of extreme friendliness. She has always respected America with that sense of reverence which is characteristic of that island empire. There is no fear on the part of the United States of the so-called "Japan's aggressive policy." It is to the United States that Japan has been turning to bring about a better

solution, and her people have been asking for justice and honor. Japan has struggled for the last sixty years to win the right to stand abreast of the most enlightened nations of the world, and she has by her own exertions won "the right to treatment on a basis of full and frank equality." Will America, that has proudly watched the growth of the island empire during the last half century, now turn to be a *provocateur* to wound eternally the heart of the nation heretofore filled with deepest gratitude? Justice is the basis of international amity and peace. May America ever be true to her praiseworthy traditions of freedom and justice. May the scholars and statesmen of the United States study the Japanese questions dispassionately, free from bigotry and prejudice, and realize that justice is the plea of the Japanese in America and of the nation across the sea. On the high plane of justice and mutual respect alone can our traditional friendship be strengthened in the future as it has so happily prospered in the past.

A CONSTRUCTIVE PEACE POLICY FOR AMERICA

By J. PEASE NORTON,

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Never in all the ages recorded by the historians of the past have the nations of the earth paused upon the threshold of an era so full of promise. Wonderful inventions together with signal advances in social organization are making a new world. One cloud alone looms black and portentous—the war cloud which in the twinkling of an eye may break into the storm which will impoverish whole nations and defeat the progress of a thrifty generation. Only by clearly discerning the dangers can such conditions be handled adequately, even by our wisest statesmen.

The United States is no longer an isolated country. To the west, we have flung our battle-lines to meet the expansion of the Orient in the Philippines. At Behring Strait, our sentries watch the frontiers of the Czar. On the south at Panama, we clutch by the throat the passageways for the navies of two oceans. Our armies of occupation are now holding by force of arms our outlying possessions. Like the Romans of old, we send forth our governors to rule over the millions of our alien subjects. In this imperial development concerning which discussion apparently no longer can exist because the flag once flying is not easily withdrawn, a greater and a greater care must be exercised lest our defenses are unequal to the probabilities of future danger.

The United States is no longer an isolated nation. Our country has become the storm center of the world. The present silence is suggestive,—almost expectant like the calm before the storm, to be followed by sudden rattling peals we know not when.

Statesmanship consists in the resolution of conflicting racial forces by constructive peace policies in advance of violent disturbances. War is the conflict of unstable racial forces, often caused by the economic pressure of population upon subsistence, always in search of a more stable equilibrium. The fundamental facts of racial geography should influence our determination of a constructive peace policy for America. Take in your left hand a small globe of the world

and place the thumb of your right hand upon Peking, the index finger at Behring Strait, the second finger upon St. Louis and the little finger at New Orleans. Note carefully the relative distances between points in the interior of China and points in the interior of America, first, by the way of the Behring Strait and, then, by way of the Pacific Ocean through San Francisco and Asiatic ports. In the language of relative distances, fundamental geographical and racial principles are often stated. Considering the geographical situation of the United States, does not reason declare that it is more important for us to command the land than the sea? A French engineer, M. Loneq de Lobel, at the International Congress of Arts and Sciences in 1904, suggested that it is possible to tunnel the Behring Strait. Within a few weeks, Congress has appropriated \$35,000,000 for the construction of one thousand miles of railway in Alaska. The Russian government has considered favorably the project suggested by Lobel, to extend the Siberian Railway toward the Behring Strait.

Let us add to the great wonder of the world now created at Panama, a second wonder, more wonderful and more far-reaching. Just as we have linked together the oceans, let us link together the continents of the world. Let it be said in history that one and the same nation, which at Panama put asunder two continents that nature had joined together, still not content with one colossal task straightway at Behring Strait joined together two continents which nature had left asunder. The question whether it is possible for our engineers to construct such tunnels should be left for them to decide. When one contemplates the tunnel work of the Simplon, the work of constructing the tubes underlying Manhattan and the North and East Rivers, including the great bores of the Pennsylvania Railroad, the work does not seem either impossible or impractical from the standpoint of capital expense.

That the land is more important than the sea seems evident when we consider geographically the route by which our nation may invade the East, if ever it shall be necessary for the purposes of defense. The very possibility of war is a calamity, more grievous than mind can tell. Yet national policies should provide for all possibilities. If in an unfortunate tide of events we must carry the war into Asia, let us carry it by land and not by sea.

But, far more than this advantage in times of war, such a policy should be the guarantee of lasting peace. Through these tunnels,

great inter-continental railroads would thread their way. The building of the Alaskan Railway has already been provided for by the present Congress. By this railroad and possible future tunnels, five continents will be joined. For the traveler of the twentieth century, there will be "no more sea." Such continental railways will become the arteries of commerce. In times of peace, the railways will be trade routes of the world. In times of war, the railways will prove of value in ways which are apparent. By them, vast bodies of troops could be quickly assembled, their strength properly massed and the current of adequate supplies constantly maintained. Often as in the career of men, so in the lives of nations, crises are turned by wise policies which are adopted long before the real difficulties are reached.

What, then, should constitute a constructive peace policy for America? At this juncture, he who would think ahead, after contemplating the facts—geographical, racial, economic, sociological and national—irresistibly driven by the logic of the situation is forced to say: why not make for a long world peace by a new triple alliance, the United States, Russia and China—three great nations representing three civilizations, diverse races, yet common in three essentials: all are land powers; all meet at Behring Strait figuratively speaking; all are interested in internal development rather than in geographical expansion. Why not make treaties mutually defending the integrity of the domains of each? By such an alliance, war might be prevented for many years and the swift march of progress might carry our civilization many leagues onward in the great uplift which otherwise may be impeded, if not prevented, by those internecine combats which have drawn the life-blood from all the departed nations of the past, whether temporarily the victors or the vanquished, it mattered not. We may not estimate the value of a peace, guaranteed principal and interest, to China, to Russia and to the world. A wonderful development is in store for China. Russia has the great future filled with opportunity. The United States has a dream to work into a reality, a civilization which will stretch from Behring Strait to Panama. The Panama Canal was the inception. The Alaskan Railway and the Behring tunnels should be the greater conception and the new triple alliance should bring with it lasting peace.

Let us reason carefully without regard to precedent, and strictly in accord with the interest of the great future which holds in store

such splendid opportunities for intensive development by all nations and by all races. We occupy the heart of North America. We own Alaska, Panama and some of the islands of the sea. To the south, there lives an unhappy people, now greatly troubled by a distressing civil war. To the north, there is a kindred people. Their needs are our needs. War has come to the people of the South, because the government of the past thirty years failed to bring to the common people the great blessings of free public education, protection to life and property, local self-government and a system of small freehold properties in place of the great landed estates. A protectorate by the United States over Mexico and Central America conceived in the spirit of the higher patriotism with patient watchfulness for the purpose of insuring to each province the benefits of an equitable system of taxation, an honest administration, free elections, free public education and proper protection to life and property, would make for a lasting peace in North America. Without such a protectorate, every flighty despot wafted into Mexico City by some hot-headed impulse of an uneducated and distracted people becomes a ready tool for the political schemesters of foreign nations, to be manipulated for the purpose of securing concessions and colonies. In the past, we have written the Monroe Doctrine in figures of iron. If these principles which are fundamental to a constructive peace for North America cannot be seen clearly as yet by all nations, let us trace these principles in letters of fire: North America for North Americans and withal peace, order, education, protection to life and property, lasting prosperity.

Let us go further and help to establish the peace of the world, by means of a new triple alliance to include Russia, China and the United States, seven hundred millions of people, an alliance for the mutual defense of the integrity of the domains of each nation. Let us control the new tunnels under the auspices of the triple alliance. Let us say to all the world: We ask only peace and fair commerce. Our good will goes out to all. Our destiny is in North America and in the islands of the North American continent. There our rule shall be sufficient to insure security to all. We do not want the Philippines. They are too far removed from the land of our destiny. We await an honorable release. Shall we not give them over into their own hands, a republic under the protection of the triple alliance? Having established through such an alliance a lasting peace which

no nation would care to controvert, the severe economic pressure now felt by Japan could be relieved by a more intensive application of the recent advances in the arts, again through a reduction in the excessive appropriations for a navy and, finally, by emigration to friendly countries.

Let us open our doors to the immigration from all nations, restricted fundamentally in accordance with the statistical principles of the eugenic melting-pot, namely, that in any one year the number of immigrants shall not be greater than 2 per cent of our population and that the number from any nationality shall not be greater than that fraction of 2 per cent which the population of the given nationality now in our country bears to the entire population of the United States.

At home, let us look sharply to the objects for which go the enormous appropriations for the army and the navy. Let us hold that the sum we give for national defense is not too great, but rather that what we get in return is much too little. As we follow the careers of successive sessions of Congress, all bent upon vast appropriations and following constantly in the track of their predecessors, dimly at times there are those of us who have wondered whether tradition does not play too great a rôle at Washington. Let us interpret rightly the truth expressed in these words:

Were half the power that fills the world with terror,
Were half the wealth bestowed on camps and courts,
Given to redeem the human mind from error,
There were no need of arsenals or forts.

To obtain more utility from what we spend should be our purpose. We reform by substitution more easily than by prohibition. The following quotation clearly describes the wastes which have long been with us:

"Change the scene," said Charles Sumner one day at Harvard College, "and cast your eyes upon another object. There now swings idly at her moorings in this harbor a ship of the line, the *Ohio*, carrying ninety guns, finished as late as 1836 at an expense of \$548,000, repaired only two years afterwards for \$233,000, with an armament which has cost \$54,000, making an aggregate of \$835,000 as the actual outlay at this moment for that single ship, more than \$100,000 beyond all the available wealth of the richest and most ancient seat of learning in the land."

How small these figures look in comparison with the figures of today. Today as then a battleship at \$14,000,000 costs more than the foundation of Yale University. Possibly \$15,000,000,000 has been expended upon the United States navy during the last twenty years. For the world, the costs of standing armies are no less astounding than depressing. In 1906 the amount expended by twenty nations reached \$17,000,000,000. New inventions are making battleships obsolete for a continental power. An air-ship capable of dropping explosives can be built for \$2,000. One battleship at \$14,000,000 cost as much as seven thousand air-ships. What convoy of battleships threatening New York or San Francisco could withstand the hail of dynamite from these hostile hornets of the air, ten to twenty thousand in number, flying by day just above the clouds and by night just beneath the stars?

We should adopt a no-battleship program and appropriate ten millions, at least, annually for aero-nautical defense. One-half of this should be used as subsidy to increase the number of the owners of hydroplanes along our seacoast, to be classed as the aero-nautical reserve.

Finally, let us link up our army expenditures with education and vocational training. The army reserve should consist of two million men. Such a number we should build up in twenty years by establishing the standing army at four hundred thousand, consisting of young men who may wish to attend high schools giving vocational training, universities, scientific schools or industrial colleges. At least two self-sustaining trades should be taught each man in addition to his regular training. The man should have the privilege of choosing his trades from a broad list. The arts of war, rifle practice, marching and drilling, can readily be taught to small companies of selected boys who are living for the first two years at their own homes, assuming the term of enlistment to be four years. Cross country work can be accomplished in vacations. The expenditures for the army by this plan become simultaneously a subsidy to education. Exceptional boys in all the schools of the country, above fifteen years in age, would then have adequate opportunity of securing a vocational or higher education under a fair system of civil service examinations, and the country would have an army reserve of one million men at the end of ten years, two million at the end of twenty years, every man of them with two self-sustaining trades.

In summary, then, a rough outline of a constructive peace policy for America has been sketched, involving several radical departures. Among these, the plan of the peace enthusiasts for an Anglo-American alliance is not essential. The requirements of this analysis, outlining the essentials of a constructive peace policy for America are, first, a new triple alliance to include Russia, China and the United States; second, the construction of the Behring tunnels and the completion of our part of the inter-continental railway in Alaska, already commenced; third, a no-battleship program and a curtailment in naval expenditures; fourth, development of aero-nautical defense and the organization of an aero-nautical reserve; fifth, the development of the army reserve through the use of the army funds as a means of educating young men, especially in vocational training and in the arts of war; sixth, establishing once for all a statistical maximum limit for the annual immigration into the United States.

In this way, we shall perhaps most economically achieve the goal of a lasting peace, develop commerce, increase the opportunity of our people, mutually benefit with other nations and firmly construct the bulwarks of that impregnable security which is necessary to insure the intensive development of that magnificent area of the earth's surface which stretches from Behring Strait to the canal at Panama.

THE FOREIGN POLICY OF THE UNITED STATES¹

By T. P. GORE,

United States Senator from Oklahoma.

I know of no subject more fitting for discussion than that of "A Constructive American Foreign Policy," no forum more fitting than the city of Philadelphia; for in this city the world witnessed the greatest exhibition of constructive statesmanship within the tides of time. In this city the dead past buried its dead; in this city a new age was brought forth from the womb of time; in this city a new republic was established and ripened, dedicated to human freedom and human equality. This republic has shown it is as equally adapted to the government of forty-eight sovereign states as it was to the government of thirteen feeble and infant commonwealths. Every exigency has been met by the constructive genius of our statesmen and of our people. Perhaps we have been at times too much absorbed in our domestic policies to devote as much time and attention to our foreign policies or to our foreign relations as their supreme importance would justify.

There are two schools of opinion touching the time as to when the United States really became a world power. One school of opinion believes that we entered the arena of world-wide politics when our fathers declared here in Philadelphia that all men were created equal and that all men were endowed with inalienable rights. Others believe that our birth occurred with the declaration of war against Spain. There are many of us who believe that the United States has been a world power since 1776, that its influence has been international, that its example has been a guide to the lovers of liberty in every clime in every succeeding time. There are those who believe that when the liberty bell rang out to the inhabitants of this land it meant liberty to all in every quarter of the globe. There are those of us who believe that our example since the declaration was promulgated within this city's walls has been the mightiest influence amongst the sons of man, fashioning the destinies of

¹Remarks as presiding officer of the session of the Academy, Saturday evening, April 4, 1914.

nations. The influence of the United States, the service of the United States, have been of a double character. We have had a negative influence, if I may say so, and a positive influence. We had to assist in ridding the world of ancient Rome. We had to assist other nations in sweeping away the dead and wrinkled skin of antiquity. We had to assist in striking away the shackles from the nations as we assisted in striking away the shackles of the individual. Our example in those countries which are governed by despotism has been an inspiration to lovers of freedom—more than an inspiration—a substantial guide and a substantial leader. When the United States took its place in the sisterhood of nations, monopoly prevailed upon the seas. It was an age of prohibition, of restriction, of search and seizure, of indefeasible allegiance. We have helped to rid the world of those shackles. Search and seizure are now little more than a reminiscence. Indefeasible allegiance has passed with the other barbaric quakeries or is fast passing. The inherent right of expatriation is coming to be a universally acknowledged right amongst the children of men. We have established or helped to establish the principle of neutrality, which has done so much to civilize the methods of modern warfare.

It cannot be denied that with the declaration of war against Spain and with the conclusion of peace there came a train of new problems, a train of new and of strange duties, perchance, and undoubtedly a train of new responsibilities. There is no one who would undertake to crush the American eagle back into its shell, but for my own part I believe that we should neutralize the inheritances which we received in consequence of the war, and that the leading powers of the earth should guarantee their neutrality and their integrity and their independence. This would reassure us against the dangers of war in another hemisphere. I still believe in the far-sighted wisdom and provision of Washington when he declared that we should have no permanent alliances, but should rely on temporary alliances for extraordinary emergencies. If indeed there be a balance of power in Europe or a balance of power in Europe and Asia, we know that balance is in unstable equilibrium, and we can best serve ourselves and our destiny and our mission in a situation to cast the weight of our influence in whichever pan of the scale may promise most for the advancement of Christian civilization. I still believe that with a foresight almost superhuman Jefferson was right when

he pronounced our international policy to be that of peace, commerce, and friendship with all nations and entangling alliances with none. It cannot be doubted that with the spread of prosperity and the probability of peace we ought to encircle the world with our commerce. I am anxious, and I confess an ambition to see the United States the industrial, the commercial, and the financial leader of the world. I want to see the United States achieve that position by deserving that position. She must conquer commerce. She must conquer foreign commerce, not with the guns but with goods. Extended foreign markets give added stability to our industries, to our prosperity, to prices generally; and stability is one of the greatest desideratums in the industrial and financial worlds.

The observing of treaties is a virtue which the United States has inculcated among other nations, and this it has practiced with fidelity by its sacrificing observance of its treaty obligations. There may always be debate as to the wisdom of entering into a treaty. There can never be debate as to the virtue of observing any given treaty.

Good faith is to a nation what honor is to a man and what chastity is to a woman. It is that virtue without which all other virtues are vain. Fidelity—good faith—is essential to the success of a nation and of its rulers. It is essential to the success of a city boss, perhaps the worst of modern rulers, at least in the United States, and my words are to have no local application in this instance. The proverbial city boss may have every vice in the category of vices, he may want every virtue in the calendar of virtues, save only one. He must keep his word. And if you will make inquiries, as I have done, you will find the philosophy accounting for the success of the city boss in every city is this fact. His devout followers, and even those who follow him with an accusing conscience, offer this apology. He will do what he says he will do. And that virtue cannot be denied. It will cover a multitude of vices. I hope that the United States in the future as in the past will be a splendid example of a nation of the earth that adheres with scrupulous and unquestioning fidelity to its treaty obligations.

We have done the same in establishing the principle of neutrality, and in conducting international affairs according to the recognized and established rules of international law. We have taken the initiative in promoting the progress of arbitration. In order to

eliminate war we must eliminate the causes of war. We must minimize the differences between nations or municipalities for the pacific adjustment of these differences. Arbitration promises to compass the differences, to preserve peace, and to obviate war amongst the Christianized nations of the earth. We have been amongst the foremost in the establishment and in the practice of this principle, and I trust that we will persevere in the future in the promotion of the principle and the practice of arbitrating international disputes. This I say is the best means of obviating war, and I rejoice that the sentiment of modern civilization is growing constantly more steadfast in favor of peace and against war. It leads me to hope that the time will come when duelling between nations will be considered as odious and as harmful as duelling between individuals. I hope the time will come when it will be deemed to be no different for one hundred thousand men to murder one hundred thousand people than for one Cain to murder one Abel. The Christianized nations of the earth expend two billion dollars a year in preparation for war. Two billion dollars a year! The United States, champion of peace, expends four hundred and fifty million dollars a year on wars past, present, and to come. Enough to build four hundred and fifty thousand homes costing a thousand dollars apiece. Enough to build homes sufficient to house more than one-half of the population of this splendid metropolis. Four hundred and fifty millions a year on the bloody annals of war and only twenty-five millions a year on the arts of peace—on agriculture. Now I know and you know that the Golden Age has not come, perchance is not coming, when the dove of peace may plaint her notes in the throat of the cannon with unmolested and unthreatened security, and yet philanthropists may dream and poets may sing of the coming of the time when the plowshare will be dominant over the sword. I have a dream of my own, and I wish that each and every auditor here tonight might survive until the realization of my dream. I wish that the time might come when the Christianized nations of the earth would remit at least one billion dollars from their annual charges for war and for bloodshed—one billion dollars of burden from the bended backs of their citizens—and allow it to remain in the hands of those who earned that splendid, that colossal sum; when the civilized nations would limit their war expenditures to not more than five hundred million dollars a year and devote that for the time to the

maintenance of their present military establishments, and would levy about half a billion a year for an international peace guarantee fund and invest that half billion in the bonds of the different nations, at least one-half of it in the bonds of the different nations and the other half in the stocks and bonds of the leading industrial concerns of the various countries, and then create an international force for the adjudication of international quarrels, so that when a verdict is given in favor of an injured nation, indemnity would be paid like an international fine. How much of war would that abolish and how much of peace and its infinite blessings would it bring in its train. Now that is my dream. Not a practical proposition for the present time, but in the process of the suns a solution of that kind or of some other kind must be found to obviate war and the rumors of war and establish in its stead the universal blessing of peace.

One other point. Our foreign policy cannot be better, cannot be wiser than our foreign representatives, than our ambassadors, our ministers and our consuls, who are our national representatives in foreign lands. They ought to be men who can ably and adequately protect and promote the vast and varied interests of this splendid industrial and commercial republic. We ought to insist upon the very highest standard of fitness and of efficiency, for no matter how wise in theory our foreign policy may be, until the agents for its enforcement are raised to these standards our policy will still be subject to criticism. It will not be a success. It will be characterized by a greater or less degree of failure.

THE ELEMENTS OF A CONSTRUCTIVE AMERICAN FOREIGN POLICY

By W. MORGAN SHUSTER,

Washington, D. C.

The subject of this discussion is one on which I have very definite convictions. It by no means raises an academic question. Our relations with the other nations of the world are of vital and material interest to every inhabitant of this country. We have sailed out of the comparatively calm seas of our foreign relations of twenty years ago. Serious problems confront us on many sides.

Since I feel earnestly upon this subject I shall speak earnestly, and if to anyone present I shall appear to touch upon matters of party politics, I crave their indulgence, because I do not intend to speak in a partisan spirit.

The foreign policy of a nation having a representative form of government should be the accurate expression of the collective conscience of the people. Autocratic governments are in a different situation.

In the United States the vast development of a free press, the large number of public-spirited societies, the system of open debate in Congress, all afford unusual opportunities to either the government official or the private citizen to gauge public sentiment on any important question. It is the privilege and the duty of every citizen to take part in the formation of a sound popular sentiment in any matter involving the honor, the prestige and the welfare of his country.

But there are some obstacles to the practical working out of this idea. Even with a representative government like ours it is impossible for the citizens at large to express in a formal manner their views and wishes concerning any emergency which may arise, however momentous. The polls cannot be invoked even in the gravest situation. Thus it may occur—and this is a serious defect in the actual practice of theoretically popular government—that a President or Congress, in entire good faith, may in a sudden international crisis pursue a course diametrically opposed to the conscience and judgment of a vast majority of the citizens. Fortunately such instances are not likely to occur.

But even if the citizens at large were able to vote on some specific policy in our dealings with another nation or nations, would they be able to do so, at short notice, with calmness, impartiality and knowledge of the real factors involved? I think not. The greatest drawback today to the attainment of civilization's principal goal, universal peace and justice, is the imperfect development of the individual conscience on broad international questions. As individuals we are still bitten by a hundred vanities which to us obscure the merits of any such question. Race-pride, aimless indulgence in patriotic fervor, the inherent lurking dislike for foreigners which has persisted to this day, the spirit which fans each member of a large mob to a fanatical state which, alone, no one of them could possibly attain, the belief that national conscience should not necessarily be as sensitive as individual conscience—something of all these things holds back each nation in the world in its natural *rapprochement* with the other.

It should, therefore, be the aim of statesmen to educate their countrymen along the broad lines of modern diplomacy. By modern diplomacy I mean the school which is slowly but surely displacing the adherents to the former system of deceit, subterfuge, evasion and trickery, which made the title "diplomat" a by-word with the masses.

In the United States the problem of creating and establishing a constructive foreign policy is especially difficult. Let us consider what elements such a policy should contain, and then discuss the possibility of attaining them. Some experience with the law has taught me to hesitate at framing definitions. But it seems clear to me that no foreign policy of ours, or of any other nation, could be termed "constructive" unless it should be based on certain obvious and fundamental principles.

A constructive foreign policy must have permanency and continuity. It must be a guide to our citizens in dealing with other nations, and to the other nations in their dealings with our government and our citizens. Therefore, in the United States, a foreign policy must be non-partisan; it must not be framed in a spirit of domestic politics, nor ever be made the instrument of party strategy. This is vital, since it is clear that, with the changes every four years in our executive branch, and the possibility of even more frequent changes in the legislative branch, there can be no continuity if our foreign relations are to be made the subject of party advantage.

To accomplish this result it is necessary that we should teach a

new definition of patriotism. The present conception of that word is too much bound up with the historical achievements of mere military success. Respect and encouragement should be given to love of country, but the wonderful emotional appeal which is made to the sense of nationality should be enlisted on the side of humanity and justice. Real patriotism demands that national honor shall be placed above national welfare.

If any conflict should arise between national duty and national welfare, we should first fulfill our obligations as a nation, and then adjust, as fairly as may be, our internal questions and the losses growing out of them. For example, I would rather see my government pay \$100,000,000 a year subsidy to our coastwise trade than to be even suspected of violating or evading a treaty stipulation.

It must be remembered that a nation which lowers its prestige in the eyes of the world places a stain not only on each of its living citizens at the time the offense occurs, but also upon millions of unborn citizens whose future government will be dealt with in the light of past actions.

So far, I have mentioned elements of a purely general character which should help form a foreign policy for the United States, but there is a long list of specific points which cannot be safely ignored.

The foreign policy of the United States up to the present time, so far as there has been any at all, has consisted of sporadic asseverations of the Monroe Doctrine. Washington appealed to his countrymen to avoid entangling alliances. In so far as making treaties of offense or defense is concerned, that advice has been kept. But other circumstances may impose upon a nation risks and responsibilities quite as great as such documents of alliance.

We have entanglements in the Orient, in the Pacific, in the Caribbean, and, if we would be consistent, as far south as Cape Horn. We have somewhat lightly assumed a quasi-protectorate against the great military powers of the world in behalf of some twenty nominal republics, many of which are in reality monarchies or oligarchies with only the barest forms of democracy. It is useless to attempt to soften this fact. If the Monroe Doctrine means anything to the world today it means that the United States must, on proper demand, stand sponsor for the acts, debts or any other obligations incurred by any one of the present or future nominally sovereign governments in South and Central America. This is a thoroughly

entangling alliance, except that the other parties are in no way entangled by it. If any "subject" of the Monroe Doctrine acquiesces in the stand or action taken by the United States in its behalf, all is well and good; if it does not, it is in the same situation as if the doctrine did not exist and the United States sought to meddle in its affairs.

I believe that a constructive American foreign policy demands that we should deal with every sovereign nation in the world, large or small, on terms of absolute equality. The justice of a nation's claim to sovereignty should not be tested by the number of ships or men which it can muster, nor should our attitude, as one of the present-day world powers, be in the faintest degree altered by either the strength or the weakness of the nation with which we are dealing. Any taint of opportunism in our external relations could not fail to lower our prestige as a nation and diminish our power for good in the world's affairs.

We should regard it as a paramount national duty to observe strictly the spirit of all our treaty obligations, with large countries or with small. If a question arises as to the exact meaning of such an instrument, we should, if unable to adjust the question by diplomatic exchanges, agree to arbitrate the point and to abide loyally by the decision. We should exact similar treatment by other nations in their dealings with us. Some years ago we grossly violated a long-standing treaty with a friendly but minor Latin-American nation. We did so by force and fraud. We have been asked by that nation to make amends or, if their form cannot be agreed upon, to arbitrate the question. We have done neither thing so far, but there are certain negotiations in progress. No really constructive foreign policy can countenance the commission of an injury to the feelings or the welfare of a friendly nation without the fullest reparation being offered and made by the offending party. A nation which is not big enough to make amends for a wrong done to another nation is no more civilized than is the man who injures another by accident, but refuses to apologize.

We should continue to do everything possible to encourage the formation and employment of arbitral tribunals and procedure, not only by proposing or acceding to such a system in cases of questions involving ourselves, but by sending representatives to form a part of such tribunals whenever so requested.

In order that the national government of the United States may

act with proper authority in its dealings with other nations, there should be a constitutional amendment effecting the complete submergence of the theory of state's rights and sovereignty in so far as they might come into conflict with the treaty-making power of the federal government. Until this shall be done, we will continue to be in the ridiculous and anomalous position of having to explain to foreign nations that we cannot maintain our treaty obligations to them because of the action or attitude of some state government. The absurdity of this situation becomes more apparent when we reflect on the fact that if any state of the Union should be attacked by a foreign power, it would become the absolute duty of the national government to protect the state—in other words, an attack on any state would be an attack on the United States, but the international obligations assumed by the United States are not necessarily binding upon each state.

Last, but not least, it should be a vital part of our constructive foreign program to create and maintain a highly trained, non-political, non-partisan diplomatic and consular service. The arguments and the prejudice in certain quarters against this plan spring from a narrow ignorance which it is a disgrace to our national intelligence to allow to influence us. Today, more than ever, each nation, in its manifold and complicated relations with the others, springing from political, financial and commercial rivalries of constantly increasing importance, has need of highly competent representatives abroad, not only as channels of communication, but as advisers to the home government. No nation of the slightest importance in world affairs is as backward and as short-sighted as is the United States in this respect. We at times seem to be proud of our shortcomings in this matter. The American people need for their foreign representatives not only men of good manners, and of some knowledge of the world beyond that acquired in the pursuit of their local career, however brilliant, but men who have made a study of international law, of history, of the political alliances of the world, of the natural and inevitable tendencies and trends of the principal nations, and of the laws and customs governing international finance and trade. No man, be he inherently ever so shrewd, can, without this special training, have the poise and self-control necessary to acquit himself with credit when pitted against the trained minds of the statesmen who direct the foreign offices of the important nations of the world.

The consular service is not less important. Every commercial nation but the United States recognizes this fact. It would be passing strange if our commercial affairs were so different from those of any other country that we could afford to entrust them to inexperienced hands.

Our foreign policy should naturally take special heed of our peculiar position in the western hemisphere. We are dominant among the Latin-American nations purely because of our size, our wealth, and our armed forces. We are not dominant because we are regarded as particularly just or generous in our dealings with them; nor because of any similarity of fundamental social institutions. We are apt to think that the Latin Americans are more Americans, as we ourselves understand that term, than Latins. I believe that the contrary is the case. It is a mistake to suppose that because in the superficial forms of their governments many Latin-American countries are like the United States, their people are similar in their social, political, commercial or ethical viewpoints. The great majority of them have a distinctly Latin education; their mental process follows more closely that of Europe; they are by blood, tradition, financial relations, trade routes, and in some cases in actual distance, nearer to Europe than to us. Any sane American foreign policy should adjust itself to these facts, and not start out on a false hypothesis.

President Wilson, in a speech at Mobile on October 27, 1913, addressing the diplomatic representatives from Costa Rica, Bolivia, Panama, Peru, Brazil and Argentina, made a declaration which, for its boldness of expression and high statesmanship, deserves to become one of the axioms not only of American foreign policy, but of that of every truly civilized nation in the world.

He said: "I want to take this occasion to say that the United States will not again seek to secure one additional foot of territory by conquest."

The authority of a President to speak for, or bind, the American nation in such an affair may well be questioned, for Congress may declare a war of conquest at any time and direct the President to wage it, but his enunciation of this view as a principle of American statesmanship is beyond all cavil.

The history of our annexation of some of the territory now constituting the United States proper has been questioned in strict

ethics, but our actions were at least on a plane with the international standards of those times, in addition to the fact that the land was really needed for the proper development of the American nation. But commencing with the annexation of the Hawaiian Islands, and passing to the conquest of Cuba, Porto Rico, Guam and the Philippines, and the forcible separation of the state of Panama from the friendly republic of Colombia, we find that our motives and standards, however unselfish and noble they may appear in our own eyes, are still subject to the gravest question in the minds of the peoples of the rest of the civilized world. Whether realizing it or not, we were giving to the world, and especially to Latin-American nations, a horrible example of that same "land-hunger" which we claim for over ninety years to have prevented Europe from gratifying at their expense.

President Wilson's words anent the securing of additional territory by conquest were, therefore, peculiarly timely and appropriate, and they should be proclaimed on every possible occasion and with all obtainable authority in our diplomatic exchanges with Latin-American countries.

The President, in this same speech, however, went further, and in so doing he gave a remarkable example of the state of "mental guardianship" which those who subscribe to the bundle of declarations now known as the Monroe Doctrine are apt to feel toward all other western nations.

He said: "States that are obliged to grant concessions are in the condition that foreign interests are apt to dominate their domestic affairs. Such a condition of affairs is apt to become intolerable. *And it is emancipation from this inevitable subordination which we deem it our duty to assist in.*"

Now this is sheer idealism and dreaming. In enunciating a principle of this nature the President went beyond the confines of statecraft, and sailed away over the seas of fancy.

Under no previous construction of the Monroe Doctrine have we attempted to say what concessions should or should not be granted by any Latin-American nation. The Lodge resolution adopted by the United States Senate in the summer of 1912 as a result of the Magdalena Bay incident was aimed only at the acquisition of certain concessions by foreign governments. Nowhere, so far as I am aware, has there been any attempt by even the most ardent Monroe

doctrinaire to assert that the United States possesses the veto power over all concessions sought to be granted by nations in the western hemisphere. Furthermore, most of the nations of Latin America have always been, and are today, unable to obtain foreign capital except by means of concessions. They do not, as a rule, grant them by choice, but through necessity. To say to such nations that they should not grant concessions, but rather "invite investments" of foreign capital, is a mere question of language, and is analogous to telling a man who is starving to death that he should not pawn or sell his watch.

Lastly, even were it possible by mere persuasion to induce Latin-American nations to cease granting concessions to foreigners, the question arises: under any other system how would the necessary capital for their development be obtained? European bankers would probably refuse to furnish it without some adequate security, and practical experience has absolutely demonstrated that American capital will not go there even on the favorable terms which provoked this utterance by President Wilson.

I cite this case as a fair instance of what, in my opinion, a constructive American foreign policy ought to avoid. It is one of the many unauthorized attempts at political guardianship over smaller western nations which arouses against the American people a very keen resentment. We must be sure of our neighbor's willingness to have us meddle in his private affairs before we venture to do so, by word or deed, even though our intentions be of the best and most unselfish.

On the other hand, in this same address, the President used language which might well be placed at the top of the stationery of our state department: "It is a very perilous thing to determine a foreign policy in terms of material interests. It is, indeed, a degrading thing."

The United States may well follow that rule, and it may properly use such friendly influence as it can exercise to "see that from no quarter are material interests made superior to human liberty and national comity," but it should be remembered that the American people neither hold any divine commission to right the wrongs of the world, nor are they so free from doubt and danger in their own internal affairs as to be able, wisely, to devote their budding energies and resources to galloping up and down the world's highways with glistening buckler and gleaming sword.

Not as a specific foreign policy, but in the realm of international ideas to be given our moral support, we might well class the theory of a present-day "balance of territory," to be established throughout the inhabited world. We have seen much of the "balance of power" in Europe. It has always seemed to me a most unstable thing, but a balance of territory would be but a recognition by the family of nations that sovereignty in a people should no more depend upon the extent of their military and naval resources than does the right of an individual, in any civilized community, to liberty and the protection of the laws depend upon his physical strength.

The greatest obstacle to the fixture of sovereignty and territorial limits as they exist today is a fatuous tendency towards over-centralization of political control. Trade, finance, increasing population in the older countries, the principle of the "white man's burden," all seem to whisper it. Some nations pursue this policy for a "place in the sun;" others have stopped at no pretext and have shrunk from no crimes, however shocking, to fling further afield their flag and sovereignty. Yet, in any truly permanent arrangement of the world's political units, all government must take serious heed of, if not indeed actually pause at, certain racial, climatic and geographical lines of natural demarcation. No government can successfully withstand the test of time and changing social conditions unless there is at least a potential homogeneity among its people. The limitations on empire-building are distinct and inexorable. At these natural barriers must cease the existing trend of powerful nations towards concentrating under their political aegis all the weaker states and peoples which may come within their grasp, whether the relationship may take the forms of colonies, dominions, protectorates, suzerainties or spheres of influence. Failure to recognize this fact will only prolong the political unrest of the world and take heavier toll of humanity in general.

Many will say that this is idealism. It may be so. But if the American people, in their dealings with other nations and races, cannot rise to this plane, shall they not at least hold it up as a standard, as a serene guiding-star of policy in moments of storm and crisis when the public mind is inflamed by the heat of controversy or the fires of racial passion?

Three general reasons occur to me for which one nation may ordinarily intervene in the affairs of another: first, in the protection

of the intervening nation's citizens or their property, if either are jeopardized; second, to stop a wanton shedding of blood; third, on the broad grounds of altruism, sometimes called a "duty to civilization," and, in the Orient, "the white man's burden."

As to the reasonable and disinterested exercise of the first prerogative, there can be no just complaint. The direct collection of international debts by force in the last resort will continue to be necessary until some international bailiff shall be created for this purpose. Any other system would but invite fraud on the part of administrations temporarily in power in any debtor nation. By common acceptance it is the right of a nation to protect its nationals from violence or injustice. In connection with this a very delicate question arises. It is the right of individuals to trade in most foreign countries. It is also the admitted policy of most nations to foster their trade with other countries by all legitimate means. But what are legitimate means? Is, for instance, the exaction of any form of trade or tariff concessions by political pressure on another government a legitimate act? If not, how far may a friendly government go in the endeavor to promote its foreign commerce, and widen the field for its bankers, manufacturers, engineers and contractors? There is no standard at present in such cases, and the decision must be left to the foreign offices of the governments involved.

As for the second reason for intervening in another nation's affairs—to stop wanton bloodshed—it is a highly dangerous policy. Suffice it to say that it should be indulged in only as an exercise of what may be termed the international police power, and then only when the leading nations of the world are agreed that no other course remains open.

The third reason—altruism—is one which has recently been advanced by the United States not only as a justification for forcible intervention in the affairs of a theretofore friendly power, but for retaining indefinitely under the American flag territory obtained by armed conquest or ceded by a treaty of peace. At what profit or loss this task has been performed is a reasonable subject of inquiry.

A constructive foreign policy must take notice of the fact that international politics are intimately connected with international finance. Theoretically, perhaps, this should not be so, but the relationship is even closer than in the case of domestic politics and finance. It may be possible for the United States government to hold itself

clear of any influence in its foreign relations by financial problems, but no one nation, however powerful, can suddenly change the conduct of all other nations. The foreign policy of the United States in this respect is therefore compelled to choose between following more or less settled lines of action and standing strictly alone, at whatever cost to its bankers and commerce generally. The latter course would be difficult. The former course may not be idealistic, but the chasm between idealism and finance still exists. On finance must fall the opprobrium and criticism engendered by the intense struggle of nations and individuals to amass wealth. International policies should not be shaped to mercenary ends, but unless a government shall coöperate with its international bankers, its efficiency and influence will be greatly reduced. Other nations, which follow a more material course, will make loans on profitable terms, and the American investors in foreign securities (never numerous and always timid) will be content with domestic securities and enterprises. Since the United States still has need of all its surplus money, no immediate harm will result, but profitable foreign investment fields are not opened up in a day, and our present policy should consider the future. Furthermore, a certain proportion of foreign securities held in any country is a steadying factor in times of local money disturbances.

A constructive foreign policy must determine a line of conduct for our government in the matter of encouraging the investment of American capital in undeveloped foreign nations. For our government to do nothing would be, in practice, equivalent to putting a veto on all such investments, since capital will not go as private loans to foreign governments unless there is some promise or guarantee from its own government that good offices will be extended in the case of default of payment or breach of faith. To ask American investors to make loans to any governments smaller or less stable than the leading nations of Europe except upon some such assurance of official support at home would only encourage purely speculative financing, and place responsible bankers under a handicap which would inevitably drive them from any competitive field. Thus, if a group of American capitalists were bidding against a European group for a loan to be issued by a Latin-American nation, the fact that our government would not guarantee to extend its good offices in case of necessity, whereas the governments of Europe would do so, would

effectually bar American capital from the field, even though there were not other inherent handicaps which render real competition with the European money markets along these lines practically impossible.

In conclusion, I desire to advert to a very live issue on which our government seems to have no very clearly defined policy. I refer to the Mexican situation. Many plans have been suggested, but of late some prominence has been given to the idea of what may be termed a "Pan-American intervention." I believe that any attempt at joint intervention in Mexico by several South American nations, acting with this country, would result most unfortunately. The plan is impracticable, and if attempted, would result in endless complications in the future. The mere broaching of it through any official channels would be sure to arouse in Europe further resentment against the policy and attitude of the United States. The exclusion of the leading nations of Europe from the intervention would deprive the effort of exactly that crushing moral force which the united action of the leading powers of the world can always bring to bear. The Mexican dictators and people would still feel that they were fighting only the American nation, nominally assisted by some small South American powers, which in all matters would have to be completely dominated by the United States.

Argentina, Brazil and Chile have been mentioned as proper participants with the United States in bringing about public order and restoring normal government in Mexico. Each of those countries has its own peculiar and difficult problems to solve. No one of them has any substantial political, commercial or financial interests in Mexico. Their participation in armed intervention in the latter country would, therefore, mean to the European powers which are materially and vitally interested in Mexico but another test of how far the Monroe Doctrine is to be tolerated. It might well be that just some such instance as this would be selected by those powers as the starting point for a coalition in defiance of that doctrine. England, France, Germany and Spain would have a strong case upon which to rest their challenge of our exclusive policy. Every precedent of international law would be with them. The lives and property of their nationals have been destroyed and are still jeopardized in Mexico. The United States would by its action be admitting the necessity for outside aid in restoring peace and order in Mexico, yet it would be

undertaking that task in a manner calculated to emphasize its suspicions of the good faith of leading European nations and thus increase the resentment which in certain quarters is already felt there.

It is illusory for the American people to seek to isolate the western hemisphere from the rest of the world. The whole tendency of the day is a closer relationship between all nations, races and peoples. This is the inevitable result of modern civilization, progress, world commerce and science. Any attempt to retrograde, to mark off and reserve continents for the exclusive political domination and commercial monopolization of any one nation, however powerful, cannot fail to evoke in other nations a feeling of resentment which will increase in exact ratio as the policy of isolation succeeds. Common sense, fair play and prudence all urge upon the American people a closer and more harmonious understanding with the leading European nations in the solution of the Mexican situation, and any suggestion having a contrary tendency is harmful, and even dangerous.

A PRACTICAL DIPLOMACY

BY EDWARD W. TOWNSEND,

Member of Congress from New Jersey.

After the first performance of Sardou's political satire "Rabagas" at the Vaudeville theatre in Paris in 1872, President Thiers ordered the governor of Paris to forbid a second performance.

I wish that after the first performance of Sardou's romantic drama "Dora" at Wallack's theatre in New York in April, 1878, where it was given its American name of "Diplomacy," that the then mayor of New York had ordered its immediate suppression. I am soberly convinced that if the police powers of New York had been exercised for the immediate suppression of that play, it would be less difficult now to discover the elements of a constructive American foreign policy.

If some of you wonder what I have said has to do with the subject upon which I have been asked to address you, I hasten to explain: not many weeks ago an artist friend of mine in New York who had found profitable occupation in drawing caricature illustrations of the tango, drew the figure of a young woman so distorted, that it was a caricature of his own caricatures. Acting upon a happy inspiration, he gave the drawing the title of the "Debutante Slouch" and thus it was reproduced in a popular illustrated weekly. Today a million young American women are trying to copy that illustration in their own walk and carriage and those who have an unusually supple backbone, and are highly gifted with the power of imitation, are succeeding, to the delighted surprise of observers.

You see at once now the quarrel I have with Victorien Sardou's play "Diplomacy."

Jerome A. Hart, in one of his entertaining books, gives us a lively and comprehensive account of the plays of Sardou, and speaking of a woman character in the play, he says this of her: "This young lady is a unique and fascinating person, beautiful, elegant, seductive as a fairy princess."

Dora, you may recall, was unconsciously enlisted into the group of women who, Sardou would have us suppose, exist in all the large

European capitals, and act as secret agents for diplomats. Mr. Hart gives testimony to his belief that such groups actually exist, and are not the creation of M. Sardou's lively imagination, and says of them: "These ladies wear gorgeous gowns, and resemble Solomon's lilies in the other respect that they toil not; but they excel at writing letters, which letters pay the cost of their gorgeous gowns. Their perfumed correspondence is filled with gossip, political and other, and it amuses foreign statesmen even when it does not instruct them."

I shudder as I pause to ask if Mr. Hart unconsciously suggests here one of the reasons why only the very rich may play "Diplomacy" for us in foreign capitals? But that is somewhat aside from my main purpose in introducing M. Sardou into this very respectable company. Sardou is not the only offender, but he came conveniently into my mind as a type. Other romance writers have entranced their readers by drawing, if I may be permitted to phrase it in this way, the "Debutante Slouch." The creators of this burlesque diplomacy have been amazed, as my artist friend was at the result of his work, to find their fanciful creations laboriously copied; to find that nature, in fact, imitates art. Sardou and his fellow offenders have created a picture of diplomacy wherein we see lovely and mysterious women gorgeously gowned seducing from incautious diplomats, secrets for the information of other diplomats; a picture of subtle intrigue, of masterful intellect gaining advantage by processes allied to wizardry; of vast and complicated affairs determined at secret meetings, the result of which at times is announced by the sudden boom of artillery, the thundering charge of cavalry. This is the romance picture of diplomacy which excites the ambition of excellent heads of families to desert their homes and their comfortable clubs, and their golf links, to enter upon this delightful occupation, thinking to become "Baron Steins," to commune with beavies of "Doras," to control the destinies of nations, to impart to startled secretaries of state code messages carrying delightful information derived from scented correspondence. That is why M. Sardou's play and like output from other romance, lie under the disadvantage of my severe disapprobation.

To be sure there is a somewhat more real though scarcely more admirable attraction to the very wealthy in the prospect of representing our country in foreign courts. They will have there opportunity to dine with nobility, even at times with royalty, they will be seen

at the shooting boxes of dukes, at the race course with earls, at the clubs with baronets and on the streets with men of fashion.

In nothing which I have said do I intend to indicate disapproval of the custom practised by many administrations, of more than one political faith, of making appointments to the large places in the diplomatic service of rich men, because they are rich men. I am willing to admit that almost any rich man who made his own money, if he obey instruction such as I shall presently indicate, would be as capable as one less favored by fortune of carrying on, as a diplomat, the business of our foreign relations; but it distresses me greatly that this air of romance, of unreality, should have enveloped this very practical business.

There should be no illusion about it, and the incentive to engage in the business should be only a desire to do a public service in a very straightforward and simple manner. I do not mean that there are not certain qualifications for the office not usually possessed by men who have been industriously engaged accumulating a fortune, but I have a scheme to overcome the difficulty arising from that lack of special knowledge. There is, for instance, the great difficulty of knowing exactly how to address members of the diplomatic corps. In my own three years' experience on the foreign affairs committee of the House of Representatives, I have had the customary opportunities offered to the members of that committee, of meeting not infrequently, members of the diplomatic corps in Washington and the ladies of their households. I have found the men very human beings, interested deeply in trap shooting, golf, baseball, the price of beef and the difficulty of securing a lower berth. The ladies are all of them charming and affable. But I began to enjoy this highly enviable opportunity too late in life successfully to school myself in one of these special qualifications I have referred to; I do not know today, and sadly confess that I never expect to know, what rank in diplomacy entitles a man to be addressed as "Your Highness," and what rank as "Your Excellency." Unlimited study gives one a certain steadiness of voice in the matter of addressing by the more familiar titles, that is, those of nobility with which an early reading of Bulwer familiarizes one.

There is another difficulty of a more serious nature, concerning this special requirement that I have spoken of, one that somewhat handicaps our system of appointment as it is practised at present, but which

under my improvement will be also happily overcome. It is the matter of speechmaking by our diplomats. For this embarrassing problem I have a happy solution. When a representative in Congress finds in his morning's mail, 20 letters asking for precisely the same information, the congressman does not dictate 20 different forms of reply, but indicates a form already in use, or, if the matter is new, dictates a form to cover the whole 20 requests. This system could readily be applied in the matter of diplomatic speeches. One appointed to be ambassador to the Court of St. James, let us say, going to Washington to receive his instructions, could be supplied with a set of forms; form A to be used at the dedication of a new monument to Robert Burns; form B to be used if the admirers of Wordsworth are to unveil a bust of their favorite poet; form C the opening of a new Anglo-American Club in London. It is unnecessary further to unfold this scheme. It readily unfolds itself to any practical mind. To be sure the unexpected is always happening. But even in such an event I would have the situation handled with caution and according to instructions received by the diplomat. If, for instance, a society is placing a tablet in honor of George Bernard Shaw, and should invite our diplomat to submit a few remarks upon that interesting occasion, and his index failed to disclose an appointed form, the appropriation allowed him by my committee for incidental expenses would enable him to cable news of the exciting event to the secretary of state, and receive an approved speech by cable in ample time for its delivery.

To deviate a moment from the sober and orderly course of my remarks, what, I ask, could be more solemnly whimsical than an expression of the opinion of the present secretary of state, on the life and writings of George Bernard Shaw? Unless, indeed it might be a whimsically solemn review by Mr. Shaw of the diplomatic excellencies of the present secretary of state of the United States.

Now to my panacea: there are in the department of state in Washington, a score, probably many more than that number, of men who have received years of training there. They are linguists and highly skilled in the details, the precedents and the history of our foreign relations—the kind of men foreign nations appoint to diplomatic posts—but incapable of making large campaign contributions; these are without prospect of being sent by us to occupy diplomatic posts at important capitals. We should provide a new position in each American embassy; that of assistant ambassador, and to these places

should be appointed men such as I have described, and thus by the presence of such a man at each embassy, the ambassador will be given freedom solely to enjoy social delights, except upon such occasions when he might be required to deliver an address relating to form A, B or C, which form would be deftly selected for him and filled in where blank spaces as to the name and occupation of the person whose memory was to be celebrated, required. This assistant diplomat could perform the simple duties of the office, such as conveying to the government to which his chief was accredited the information his own government wished to be conveyed, and receive from that government the information it wished to convey to Washington, and diligently devote the rest of his time to discovering means of increasing our foreign commerce. Having been trained in his business, this assistant ambassador would know what he was in a foreign capital for, he would be under no illusions as to "Doras," he would know that there was no hocus-pocus, no sharp card tricks, no foolery whatever of any kind about this business of maintaining proper and profitable foreign relations between the countries whence he came, and to which his superior officer was accredited. He would know that M. Sardou was just as much a joker as is Mr. Ibsen, and that the play of "Diplomacy" is no more like the thing diplomacy than "A Doll's House" is like anything that really ever existed.

If these thoughtful remarks have not indicated to you precisely what in my opinion should constitute the elements of a constructive American foreign policy, they have been made in vain. From the time when, in March, 1776, the Continental Congress named Silas Deane as its diplomatic agent to France until this year of grace 1914, the end and aim of our foreign relations have been to extend our commerce. I do not say that this aim has been held true at all times, but I lay it down as a general proposition, that friendly relations being assumed, there is little else involved in foreign relations and certainly nothing else comparable in importance, to the business of extending the commerce of this country.

The importance of our commerce, in every consideration of our foreign policy, even in the earliest times when that policy was being developed, is suggested by Professor Moore, whose absence from the state department at this moment I deeply regret. In his *One Hundred Years of American Diplomacy*, he speaks of the 14 treaties entered into between the United States and the European nations early in our

national life, and refers to their wide range of subjects, among them commercial intercourse, and in one instance the agreement that "If difference should arise in consequence of our infraction of the treaties, no appeal shall be made to arms till a friendly arrangement shall have been proposed and rejected." Our author comments: "These clauses were far in advance of the international law of the time. They represent an aspiration; but, if intended as a prophecy, they yet remain for the most part unverified and unfulfilled, though they are by no means discredited."

I know that statistics make dull matter for an address, but I can not refrain from using a few figures to emphasize my contention that our foreign policy should be more largely directed to securing foreign commerce.

The total Latin-American foreign commerce for the year 1912 was twenty-eight hundred million dollars, of which our share was eight hundred millions, with a balance against us, however, of two hundred millions,—a fair percentage of commerce for us, although the balance against us remains a serious drain. The figures for the A B C group, Argentina, Brazil and Chile, are far from satisfactory, a fact due in part, certainly, to our lack of a constructive policy toward the A B C group, which, if adopted, would result in a much better trade showing. The total foreign commerce for Brazil, for 1912, was six hundred and seventy million dollars, of which our share was one hundred and ninety millions, with a balance against us of fifty-three millions. Great Britain had a balance in her favor of thirty-four millions in her share of Brazil's commerce for the same year. Only one more illustration by statistics: Chile's total commerce for 1912 was two hundred and sixty-one millions, of which our share was forty-one millions, with a balance against us of eight millions.

In those three great countries, of trade potentialities beyond computation, we have an embassy in Brazil only. There are bills pending to raise Argentina's legation to an embassy, but the administration has not yet made a recommendation that we should pay a similar deserved compliment to Chile, although peculiar reasons exist why Chile should be so complimented. It seems to me that our state department should adopt as a policy toward the A B C group an attitude of special cordiality, which should have as its most significant expression our friendly recognition of the great importance those powers have achieved in the family of nations; of our sincere pleasure in

their splendid civilization, their high advancement in art, letters and science. They should be made to know and feel that they are to share with us the responsibilities, the burdens and privileges of western hemisphere guardianship. Our exchange of commerce, of friendly intercourse through travel is startlingly short of what it should be; and for a remedy we must look to a foreign policy giving greater and well deserved recognition to those three great and splendid nations.

Commerce promotes peace as surely as peace promotes commerce. But what I shall say upon this subject now is upon the assumption that we shall remain at peace with the great nations of the earth, through the simple expedient of minding our own business and making the great part of that business the securing of foreign trade as a means of extending our domestic industries. Granting me that assumption, I now reveal what most profoundly lies in my mind on this subject. It seems to me that no student of our present economic and social conditions, even one giving but casual study to those subjects, can fail to see the vital necessity of providing more employment at more wages if we wish our country good health. There are symptoms plain to the senses, that a distemper threatens our social body. Some once looked about and denied that such symptoms were visible. Today only the fool will make such denial. More employment and better wages must be provided if we would have the threatening symptoms disappear—the fever subside. As an essential means for bringing about such subsidence there must come, as speedily as may be, a vast increase in our foreign commerce, a vast increase of foreign consumption of our manufactures. The radicalism, so plainly discerned in groups of all the three parties contending for the political control of the government, is born of a perception of this need. It seems at times as if this radical energy was misdirected to attain the desired big end. We cannot, solely by legislation, increase employment, increase wages or decrease the hours of labor, yet this is being constantly attempted. Manufacturers will not produce more than they can profitably sell, they cannot give more than a certain share of their product in wages, or else they starve themselves. The radicals see the symptoms and, in part at least, attempt their cure. Under-employment and under-pay are not caused by the symptoms of idleness and unfair conditions of living. Yet we see the attempt persisted in to cure those things by legislation, which in no degree whatever can, nor does it even seek to increase the demand for labor-

ers and increase the share of the product which capital can give to labor. The remedy it seems clear to me is expansion of our foreign trade, a great increase of foreign use or consumption of our productions; and that I would have brought about largely by the work of our diplomats in carrying out our foreign policy.

Probably the men attracted from idle lives at home by the fascination of a Sardou picture of "Diplomacy," would be of but small aid in furthering a policy which seeks to better domestic conditions by increasing our foreign trade. If it has become a political necessity that such men should hold such offices, then the remedy I suggested, half in jest a moment ago, might be seriously considered. Let us, if it seems expedient that we should do so, treat the office of ambassador as purely ornamental, an offering to one whose gifts to party entitle him to a reward. But let us reform our embassies by placing in each of them a practical man, trained in intercourse with foreigners, trained to know which of our productions the country he is accredited to might use or consume, trained to know that diplomacy is not a romance but a business, and perhaps in that way we may supply at least the elements of a constructive American foreign policy.

Communication

THE TRUTH ABOUT STATE REGULATION OF UTILITIES
IN WISCONSIN

BY G. C. MATHEWS,

Public Utilities Statistician, Railroad Commission of Wisconsin.

In the May number of *THE ANNALS*, Mr. Stiles P. Jones, secretary of the Voters League of Minneapolis, has made an attack upon methods and results of state regulation of public utilities in Wisconsin which puts state control in a very bad light. Because of the importance of the subject and the seriousness of the charges made by Mr. Jones, it appears that the facts with regard to the situation should be presented as fully as possible.

One significant fact with regard to the statements made by Mr. Jones is that his information has been drawn, as he states, from the files of the Minnesota Home Rule League, an organization which came into existence to perform a single function, to defeat Governor Eberhart's plan for a state public utilities commission. The secretary of the league, who was actively in charge of its task of gathering information in opposition to Governor Eberhart's program had been campaign manager for the governor's opponent during the previous campaign. Whatever may have been the merits of the controversy in which the Home Rule League engaged with the governor's supporters, it seems that the circumstances under which the league did its work and the purpose for which it disseminated information were hardly such as would be likely to lead to a fair, impartial analysis of the situation in Wisconsin and to the presentation of the unbiased truth with regard to the activities of the Wisconsin commission. As Mr. Jones states, "The league first proceeded to comb Wisconsin," but there is evidence that the combing was not done to find the truth, but was done to find every situation which might conceivably be turned against the commission.

Unfortunately for those who have expected to find in Mr. Jones' paper an accurate résumé of Wisconsin conditions, many of the acts and opinions of the Wisconsin commission have undergone marvel-

ous changes between the time when they were gathered in the comb of the league's investigator and the time of their appearance in the bulletin entitled "Regulation of Public Utilities in Wisconsin," of which Mr. Jones' article is merely a recapitulation.

Starting with eight general charges against commissions, the author proceeds to establish his case by citing what the league has apparently taken for facts. To reply to the charges made by Mr. Jones it is necessary to take up his paper in detail and review the evidence upon which he relies for his conclusions. This will necessarily lead to a scattering rebuttal of his argument but because the weakness of his argument is due to the evidence which he uses and to his method of handling the various items of evidential data, a reply must be directed to the items of evidence upon which he rests his case.

A review of the evidence of which he makes use leads one to believe that the Home Rule League from whose files he draws his information has permitted itself to be misinformed in some particulars and that in others, its zealous pursuit of the truth has resulted in the drawing of erroneous conclusions and, incidentally, in the spreading abroad of a number of statements for which no foundation exists outside the somewhat prejudiced imagination of its sponsors.

But let us look at the proof by which the league's case is supported.

In his article, Mr. Jones quotes the Home Rule League to the effect that out of 134 cases decided by the commission up to March, 1912, "Public service corporations of Wisconsin asked the commission for increase of rates in 52 cases. Substantial increases were granted in 43 cases and small increases in 7 additional cases. In other words, some increase was granted in nearly every case where it was asked, some were granted when not asked for." The statement is made that 38 of the 134 cases were telephone cases.

Up to March, 1912, the commission actually issued 126 decisions in utility cases, although the number of actions disposed of was substantially as stated by the league.

A count of the decisions shows, however, that 51 of the decisions instead of 38 as stated by Mr. Jones were issued in telephone cases. Probably this is a mere oversight, but it is significant, because a large part of the increases authorized by the commission came in telephone cases.

Of the 51 telephone decisions, 32 were issued in cases where utilities asked for authority to increase rates. Of these, 22 were granted;

5 were granted in part, and 5 were refused, although the league states that the commission has granted increases in all but two cases where utilities asked for them. Of the 27 cases in which telephone utilities were permitted to increase rates, 24 resulted in actual increases of revenue. In the other 3 cases decreases in some classes of rates more than offset the increases authorized. Of the 24 increases authorized, 8 were increases of \$200 per year or less, and only 6 were over \$1,000. In most of the cases the increase can be computed mathematically and in the others it can be estimated very closely. The total increases permitted in the case of telephone utilities were \$17,530 per year, equal to $34/100$ of 1 per cent of the telephone revenues of the state for the year ending June 30, 1912. Included among these increases were such as the increase in the case of the Ettrick Telephone Company which was authorized to increase its rate from \$3.00 to \$4.00 per year, and those in the cases of the Morris Telephone Company, which was authorized to charge 50 cents per month, of the Pewaukee-Sussex Telephone Company, where an increased rate was authorized in cases where rentals were not paid promptly, and Platteville, Rewey, and Ellenboro Telephone Company where an increase was authorized, to be effective when full metallic service was installed. Another fact which should be noted in connection with the increases which the commission has permitted is that of the 24 telephone utilities whose revenues were increased by authority of the commission, 9 were mutual companies having a total of 4049 subscribers, of whom 2454 were stockholders. In these cases, therefore, the applications to increase rates came from the very parties who would pay the greater part of the increase.

In the cases where increases were authorized the increases were granted because the companies were not earning enough to provide adequate service and meet the depreciation on the equipment, to say nothing of providing a return on capital invested.

Among the smaller telephone companies a general practice has prevailed of extending the plant out of such earnings as would properly have been used to provide for depreciation, without adding to the value of the plant as shown on the utility's books. Among the mutual companies, stockholders frequently did construction work without charge to the company. As a result, the value as carried on the books of these companies, has been less than the actual investment. Basing our figures upon this conservative statement of value, we find that all the telephone companies for which the commission

authorized increases earned 2.6 per cent upon the value of their property in 1912, after the increases became effective, and 4.1 per cent in 1913. In this case computation depreciation was computed at 7 per cent, although in some cases a higher allowance should be made which would still further decrease the amount available for return upon investment. Mr. Jones does not state that a public utility should not be entitled to a reasonable return upon its investment, but if the commission is to be criticised for permitting telephone companies to increase rates, the conclusion must be that the critics do not believe that a utility is entitled to earn a reasonable rate of interest.

The Home Rule League is quoted further by Mr. Jones as follows: "In a term of five years, during which the trend of public service charges was so strongly downward, the trend under the Wisconsin commission was uniformly upward." What the facts are with regard to water, gas, and electric rates in Wisconsin we shall see later, but there is one point in the statement quoted which should be noted here. The trend of public utility charges in the telephone business has not been strongly downward. Most of the small, independent telephone companies in the country were started with a very few subscribers, by parties who know but little about the cost of conducting a telephone business. As the business expanded the necessity for continuous service, for metallic lines and for improved standards of maintenance has increased the cost of conducting the business. To this must be added the tardily recognized necessity of providing for depreciation of property, and the fact that wages of operators and of repairmen have gone steadily upward, without corresponding savings in efficiency, such as have made reduced prices possible in other public utilities.

The cost of conducting the telephone business has not been decreasing.

In spite of all this, the increases in telephone rates authorized by the commission have been extremely small. In 1912, 647 telephone exchange systems and 26 toll systems reported to the commission. In almost five years from 1907 to March, 1912, the commission authorized increases of revenue for 24 telephone utilities, 9 of which were mutual companies. In other words, about one telephone company out of 27 was permitted to increase its rates during five years; the total increase amounted to about one-third of 1 per cent

of the telephone revenues in the state, and after the increases were authorized the companies were earning a smaller return on their investment than could have been obtained from first-class farm mortgages.

Nineteen cases were handled by the commission during the time alluded to by Mr. Jones, in which complaints of various kinds against telephone utilities were concerned, or in which the applications did not relate to rates. In six of these cases service matters were involved, and in five cases improvements were ordered. Two cases related to pole removal, and in one of these the removal was ordered. Rates were involved, either directly or indirectly, in ten cases. In four of these cases rates were reduced; in five cases the proceedings were dismissed, one of them because the complainant could not lawfully file a complaint, and in one case rates were increased in order to provide enough revenue to enable the utility to furnish adequate service. Discriminations were ordered discontinued in two cases.

In leaving this matter of telephone rates, we should remember that telephone companies in Wisconsin never possessed municipal franchises, and that prior to the enactment of the public utility law rates of telephone utilities were not fixed by any public authority. Without commission regulation telephone utilities would have been free to charge what rates they chose and every increase upon which the commission passed could have been made without being passed upon by any governmental body.

From what has been said, it will probably be clear that what the Home Rule League and Mr. Jones have charged against the Wisconsin commission does not have a firm foundation of facts, as far as the telephone utilities are concerned.

A study of the other cases shows facts almost equally at variance with the charges made by the league.

Only one heating utility case was handled during the period chosen by the league for its study. This was an investigation, on the commission's motion, of heating rates in Milwaukee, and the facts obtained showed that no order could be issued.

There was one case against a toll bridge utility and as a result of its investigation the commission ordered extensive improvements to be made.

Four cases involved gas rates. The Manitowoc Gas Company was authorized to reduce its illuminating gas rate and put in a

25-cent service charge, which service charge was eliminated within a short time. The net reduction amounted to from \$6,000 to \$8,000 per year.

The Green Bay Gas and Electric Company was authorized to put in an *optional* gas rate and a minimum monthly bill of 40 cents. The optional rate was optional with the consumer so that it could not amount to an increase in any case.

The rates of the Racine Gas Light Company were reduced about \$13,000 per year and a reduction of the gas rates of the Wisconsin Traction, Light, Heat, and Power Company was made by which an annual reduction of about \$12,000 was effected in Appleton, Neenah, and Menasha.

The water cases handled by the commission during the period studied by the league number nineteen. Increases in rates were permitted in only two cases, and one of these was a municipally-owned plant which had been losing so much money that the tax-payers entered complaint and asked that the plant be made self-supporting. In the other case the utility still earns less than 6 per cent, with a very economical management.

Two applications were made by water utilities for authority to increase rates, but both were dismissed. In six cases lower rates were asked for but the earnings of the utilities did not justify a reduction, but in one of these cases improvements in service were ordered. In four cases new rate schedules were ordered. In one of these cases the total revenue was practically unchanged, and in the other three, reductions were made. Six of the other cases related to service and in every case improvements were ordered. In one case a rule fixing terms for payment for service was approved with the consent of both parties to the case.

Of electric utility cases the commission handled 42 during the time in question, i.e., it handled 42 cases in which matters relating to the electric business were the only ones involved. Twenty-three of these cases involved applications by the utilities for authority to increase or *adjust* rates. In 20 cases the applications were granted, and in 3 cases they were denied, but this does not mean that the revenues of the utilities were *increased* in 20 cases.

In the Marinette case revenues were decreased as a result of the granting of the utility's application; in 10 cases there was no increase of revenues, but merely an adjustment of rates by which discrimina-

tory or inequitable practices were eliminated, and in 9 cases revenues were increased. Yet the Home Rule League, as quoted by Mr. Jones, states that *substantial* increases were authorized by the commission in 43 cases out of 52 applications, and small increases in all but 2 of the others.

The 9 electric utilities which were permitted to increase their rates earned for interest in 1912, 6.4 per cent upon the value of their property, using the more conservative appraisal value, instead of the book value, which for the electric utilities often exceeds the actual value. For 1913, the amount earned for interest was equal to 7.2 per cent of the value of the property. The electric business has grown very rapidly during the past few years and yet the increases authorized by the commission did not yield a 7 per cent return until 1913.

Nineteen electric utility cases involved other matters than applications by utilities to change rates. Service was involved in 7 of these, and improvement was ordered in 5 cases. In one other case the company made the improvement without an order. Five cases were dismissed for lack of jurisdiction. Three cases arose from complaints against utility rates and the complainants were upheld in two cases, and in one case a new schedule was recommended but no order was made. In one of the other cases the commission acted as a board of arbitration; in two cases investigations of discriminatory practices were made on motion of the commission; in one other case discriminatory rates were discontinued and in the other a proposed rule of the utility was rejected.

Eight decisions of the commission were issued in joint utility cases, i.e., cases which involved electric and water rates, or electric and gas rates, etc. In one of these, standards of gas and electric service were established. General reductions were made in rates in five cases. A new schedule was provided upon the application of the Jefferson municipal light and water plant, and an increase was authorized in only one case and then only as applied to business lighting. This was in La Crosse.

This somewhat lengthy and probably tedious summary of the decisions has appeared to be justified because the statements regarding rate cases made by the Home Rule League and quoted by Mr. Jones are not true in a single important particular. The league says that there have been *substantial* increases in 43 cases and *substantial*

decreases in only 3 cases. Aside from the fact that the numbers have not been correctly stated by the league, the word "substantial" has undergone a remarkable change of meaning in its use. Even taking every increase which the commission has authorized the number is less than the 43 listed as "substantial." But the league's definition of the word "substantial," as applied to the decreases, is very far from what it is as applied to the increases. The decrease in the second Madison Gas and Electric case alone, which, by the way, was taken up on motion of the commission, was more than \$8,000 greater than the increases authorized in all the telephone cases taken together.

Summarized, the facts are that increases in revenues were permitted in 37 cases instead of in 50, and all but 13 of these were cases of small telephone companies. Revenues were decreased in 17 cases up to March, 1912, aggregating annually between \$132,000 and \$135,000, and being more than \$100,000 greater than the sum of all increases. Increases were refused outright in 10 cases, instead of in 2, as stated by the league, and in 15 cases new schedules were authorized which removed discriminations but did not increase revenues. Surely the league would hardly wish to criticise the commission for removing discriminations even though it were done on application of the utility, as long as no increase in revenues resulted, yet this is the conclusion to be drawn from its statements.

A count of the cases shows that the service was involved directly in 23 cases and indirectly in one or two more, instead of in 34 cases, as stated by the league. The league has, however, hit upon the truth in its statement that improvements were ordered in 20 cases, which is the only correct statement in the extract quoted by Mr. Jones.

The criticism of Mr. Jones' paper does not end with what he states on the authority of the Hoine Rule League. Many of the statements for which he assumes the responsibility are not true and others are so illogical that it is surprising that the author could have made himself believe in his own conclusions. To refute his arguments requires merely a statement of the truth. For example, he states that, "Many of the estimated reductions made during the past year are held up awaiting the action of the court of last resort, with the people paying the old rate in the interim." As a matter of fact there are only *two* reductions so held up, and they are the Milwaukee and the Superior street railway cases which he mentions.

Mr. Jones does not explain by what mental process he construes the fact that these two utilities have appealed to the courts as an argument against the commission. It might be pertinent to inquire with what mysterious power Mr. Jones would clothe the cities so that with home rule in utility regulation, the utilities would no longer exercise their rights of appeal. The commission is criticised for not reducing rates and then it is further criticized because utilities take every legal means of protecting their earnings.

Another statement made by Mr. Jones which is not a statement of the truth is that the commission has refused to permit the sale of hydro-electric power in Madison. The falsity of this statement was pointed out to the secretary of the Home Rule League at the first annual meeting of the League of Minnesota Municipalities in October, 1913, but as evidence of their earnestness in getting at the truth of the situation in Wisconsin, they have repeated their misleading statements in their recent bulletin and here we find the same charges. The truth is that the city of Madison, the Prairie du Sac Company, or any other person or organization has never asked the commission to permit the sale of hydro-electric power in Madison. No case has ever come before the commission on this matter. The power plant is not yet completed. The commission would indeed be ridiculous if it had attempted to pass upon a situation which never was brought before it. But "the citizens of Madison have stripped for battle" says Mr. Jones, thereby giving the impression that the commission is fighting with the people of Madison. The truth is that the Madison Board of Commerce has hired an expert to investigate the question of securing hydro-electric power and to secure the facts which will determine whether any action shall be brought before the commission. The Madison story as told by the Home Rule League and reiterated by Mr. Jones is a political fabrication, pure and simple, and the league officials knew the facts when the story was published.

We are told by Mr. Jones that the utilities are in politics in Wisconsin, but that in Duluth such is not the case. It is significant that in all comparisons, with a single exception in the case of street railway service, which Mr. Jones and the league have made between conditions in Minnesota and in Wisconsin, Duluth has been the only example cited in Minnesota. It is stated that in Superior the public service companies "come pretty near to dominating the politics of

that city," but the author does not explain how he reconciles this statement with his other statement that the people of Superior voted seven to one to ask the legislature for authority to take over the street railway. A vote of seven to one for municipal ownership is not very strong testimony that the community is politically in the grip of the corporation.

Comparison is also made of the price of gas in Duluth and Superior. Duluth has a population about twice as great as that of Superior. In 1912 the Duluth plant sold 325,000,000 cubic feet of gas to about 8,000 consumers. The Superior plant sold a little over 67,000,000 cubic feet to 3,400 consumers. Sales in Duluth were about twice as great per consumer as in Superior, and fixed charges of the plant were distributed over a vastly greater volume of sales. The comparison between Duluth and Superior is certainly not as fair as a comparison between St. Paul and Minneapolis, but the home rule partisans have refrained from calling attention to the difference in rates between those two cities. If the author had cared to make a fair comparison he would have compared Minnesota cities with cities of similar size in Wisconsin. For example, Winona, Minn., might have been compared with Eau Claire; St. Cloud and Stillwater, Minn., with Ashland, and Manitowoc; Red Wing and Faribault, Minn., with Watertown and Waukesha; or Moorhead and South St. Paul, with Stoughton and Monroe, in nearly all of which cases the Wisconsin rates would have been found lower than those in Minnesota.

Furthermore, the Duluth gas plant is municipally owned and whatever advantages it might seem to have in any fair comparison would be found to be due in large measure to the fact that many actual expenses, such as cost of supervision, depreciation, and taxes which the city has foregone, have not been fully met from the earnings of the plant, but have been borne by the tax-payers.

With regard to municipal ownership the author charges that except in water works cases, the attitude of the commission "has been distinctly obstructive at all times, on the theory that municipalities are not competent to perform such duties of city administration." There is not even a semblance of truth in this statement. The commission has no discretionary power, of any kind whatever, which would enable it to obstruct municipal acquisition. The statutes of Wisconsin state very clearly how and by what means cities may secure municipal ownership. Electric plants have been municipalized in

Brodhead, Kaukauna, Cashton, and Manitowoc. The Grand Rapids and Prairie du Sac cases are pending at this writing. In every case where a city has taken the proper steps to purchase the property of a utility the commission has valued the property, as required by law. No other result would have been possible and at no time has there been any attitude "obstructive" to the securing of municipal ownership.

Mr. Jones criticises the indeterminate permit feature of the law and makes four charges which are entirely unsupported by the facts. To answer these charges it will perhaps be best to take them up in order. Speaking of the indeterminate permit, Mr. Jones states that: (1) "It has prolonged the life of privately owned utilities through its obstructive effect on municipal ownership." Whether the indeterminate permit has had an obstructive effect on municipal ownership must be judged from the facts of the case. According to the Wisconsin law as it was prior to the adoption of the indeterminate permit feature a city could take over a private plant only in case it could prove the *necessity* of such acquisition in court. The expressed wish of the voters of the city was of no value unless the city could prove that municipal ownership was necessary. As the indeterminate permit law was passed in 1907 the acceptance of the indeterminate permit was made optional with the utilities, but the acceptance of an indeterminate permit by a utility bound the utility to agree that its property could be purchased by the city at any time, without the necessity for municipalization being proved. That is, the utilities waived all rights of court review as to the necessity of purchase. This was the situation up to 1911. At that time a large number of the utilities had accepted the indeterminate permits and thereby agreed to sell their plants to the cities whenever the voters should determine to purchase them. The following statement shows the facts as taken from the 1911 reports, as to the extent to which the utilities had consented to sell their plants without the necessity of

Utility	Prop. & plant of co's rec'g. indeterminate permits	Total private property and plant	Per cent	Total oper. revenue of co's. rec'g. indeter- minate permits	Total private operating revenue	Per cent
Electricity....	\$10,822,218.61	\$38,166,778.44	28.4	\$2,027,263.65	\$5,238,614.41	38.7
Gas.....	5,497,247.22	25,063,185.93	21.9	860,375.50	4,159,159.64	20.7
Water.....	9,652,200.59	10,361,337.47	93.2	907,006.37	982,392.63	92.3
Heat.....	921,550.26	1,278,419.71	17.2	150,542.48	231,944.56	64.9

court review. This includes all of the privately-owned water, gas, electric and heating utilities. Telephone utilities are not included because they had never held municipal franchises.

Out of 140 private electric utilities, 53 voluntarily took the indeterminate permit, 15 out of 40 gas utilities, 19 out of 31 water utilities and 7 out of 14 heating utilities. Of a total of 225 private utilities, the necessity of proving in court that municipal ownership was necessary was eliminated in 94 utilities. All private utilities which have started operations since 1907 have been obliged bylaw to acquiesce in the right of the municipality to purchase the plant at any time. In 1911 the legislature extended the indeterminate permit feature to all utilities, and those who accepted the permit under compulsion probably still have the right to have the necessity of purchase proved in court. That the permit has not had an obstructive effect on municipal ownership is further evidenced by the fact that the water plants in Sheboygan, Fond du Lac, Appleton, Lake Geneva, Manitowoc, Whitewater, Oshkosh, and Antigo, have been purchased by the cities and that water plant purchase cases are pending for Racine, Janesville, and Beaver Dam. There are only 25 privately-owned water plants in Wisconsin at the present time. Four electric plants have been municipalized and two cases are now pending.

The second charge which Mr. Jones makes is that the indeterminate permit "has entrenched the companies in their monopoly grip upon the cities, with the result of continued excessive charges and inefficient service." It is true that the permit gives utilities a monopoly of the field they serve. If the statement that rates are excessive and service inadequate, where utilities are protected by the permits, were true, the utilities might be said to have a "monopoly grip." The number and nature of the commission's orders to improve service and the inspection carried on by its engineering department have resulted in improvements in service until there is no question but that service furnished by the utilities of Wisconsin is superior to that of surrounding states. The charge that rates are excessive and service inadequate is one for which Mr. Jones has failed to cite any evidence whatever. If rates are excessive and if home rule is the proper means of regulation, how would we account for the fact that in two of the three reductions which have been made in electric rates in Madison, the commission opened the cases on its own motion, because neither the city nor its citizens would file a

complaint? The advantages and savings which result, in the long run, from having a city supplied by a single utility are too well known to readers of THE ANNALS to need repetition in this discussion.

The third criticism of the indeterminate permit is that "It has made it impossible for municipalities to secure cheaper or better street light service through the construction of municipal plants." So far as any record which has ever been introduced before the commission shows no municipality could get cheaper and better street lights by constructing its street lighting plant. The city of Milwaukee is investigating the question at present but no conclusions have been reached by its experts.

The final charge against the permit is that "It has nullified existing contract obligations between cities and utility companies, often to the great advantage of the companies."

No *contract* could possibly be nullified by the permits. That much of the statement needs no explanation. *Non-contractual* features of franchises have been altered but cities have often been the parties to take advantage of this. The law provides that rates shall be reasonable and service adequate, and these have been regulated by the commission so far as they were not matters of contract. To state that contractual relationships have been changed is to ignore the fact that the supreme court of Wisconsin has upheld a contract between a city and a public utility under whose terms the city was really receiving free service (141 Wis. 363, *Superior v. Douglas County Tel. Co.*).

Mr. Jones attacks the commission severely for its valuation methods. It should, however, be remembered that the elements which must be considered in valuing utility property have been determined by the courts and that the Wisconsin commission has no choice as to the inclusion of the various elements. If the commission were not to give consideration to such elements as going value, its decisions would be reversed in court. Neither the commission nor any municipality could enforce an order which would not yield a reasonable return upon a valuation of the property, including all valuation elements which the courts have held must be considered. Mr. Jones' real contention should not be with the commission for including elements which, under the law, it had no power to exclude, but should be rather with the courts, by whom the legal principles have been laid down.

Aside from the unreasonableness of his attack upon the commission for including in its valuations elements which must, legally, be included, there is another objection to the statements that Mr. Jones has made with regard to the commission's method of valuation, which is, that the facts are not correctly stated. Speaking of going value, he says: "In effect, it (the commission) capitalizes the company's early losses, puts upon the public all the hazards of the business, and assures the utility of liberal returns on its investment from the very beginning of operation." Nothing could well be further from the truth. The commission has never included losses which did not represent a reasonable outlay in developing the business. The risk due to abnormal conditions, to lack of necessity for the utility in the community served, to poor business management, has been placed upon the utility. All that has been included as an element of value is the cost of building up the business under normal conditions. The position of the commission is stated in its decision in *State Journal Printing Co. v. Madison Gas and Electric Co.* (4 W.R.C.R. 501-586) as follows: "As already stated, when such deficits are due to abnormal conditions, or when due to bad management, defective judgment, extravagance, lack of ordinary care and foresight, unduly high capital charges, and other causes of this nature, it is manifestly clear that they should be accorded little or no consideration in either the valuation or the rates." Apparently Mr. Jones has not known what the commission's attitude has been on this question. At least he has failed to state correctly the facts in the case.

A number of other points in the commission's valuations are criticised, among them the inclusion of property donated. The valuations of railroad property placed before the United States supreme court in the Minnesota rate case, included all land, regardless of its method of acquisition. The fact that the commission has been upheld in its valuations by the Wisconsin supreme court shows that the commission's valuations have been made in accordance with the law, and we are not told by Mr. Jones how any other valuation could be upheld, even with home rule in utility affairs.

In speaking of the inclusion of service connections, the author includes only enough of the opinion of the commission to give the impression which he wished to convey, i.e., that the commission has included service connections, paid for by consumers, in its valuation. He fails to quote a complete sentence, of which the missing portion

reads as follows, "from the point of view of equity full consideration may well be given to the fact that a large number of services have been paid for by consumers, and that certain lands have been donated to the company by the municipality," *City of Ashland v. Ashland Water Company* (4 W.R.C.R. 273, 306).

The Appleton and Oshkosh cases are quoted as showing that the commission includes in its valuations in municipal purchase cases the cost of paving over mains which has not been disturbed by the utility. An examination of the facts in these cases, however, shows that the *final* value fixed by the commission included only the present value of the property, *exclusive of pavements*, plus a small allowance for going value. The cost of undisturbed paving is not in the final valuation, although it is shown as one element in the cost of reproduction which is quite a different thing from the price for municipal acquisition. In the Ashland case previously cited and on the page following that from which Mr. Jones quotes with reference to services, the attitude of the commission with regard to paving over mains is expressed as follows:

While this item (paving over mains) is unquestionably a valid one in estimating the cost of reproduction new, it is not an item which, on its face, must be included in the value of the property for rate-making purposes. The fact is, that respondent company was obliged to cut through no pavements whatsoever in the original construction of its system. If the company had not since been compelled to cut through paving, nothing whatever should be allowed under that head in this proceeding. (*Ashland v. Ashland Water Company*, 4 W.R.C.R. 273-307.)

This seems to state clearly the commission's position with regard to paving, which is quite different from the position described by the author.

Mr. Jones scores the commission for its order in the Milwaukee Street Railway case, in which the fare was fixed at 13 tickets for 50 cents, which case is now pending in the United States courts. He says, "Compare such a meager and uncertain result with what Cleveland, Columbus, Toledo, and Detroit with 3-cent fares have secured for themselves through the direct action of their city councils." This statement requires some attention to be given to the conditions in the cities mentioned. The most recent data available regarding Columbus are contained in the 1914 *McGraw Electric Railway Manual*. This publication shows passenger revenues per revenue passenger for 1912, of 3.32 cents. The 1913 figures are not given.

The following quotation from the May, 1914, issue of *Public Service*, bears upon the Toledo situation:

The company, through its attorneys, had notified the city council that it would not recognize the Schreiber ordinance as valid nor accept three cents as fare, and shortly before midnight on March 27, all its conductors were instructed that they must not accept a 3-cent fare, except in the 3-cent fare hours—between 5:30 and 7:30 in the morning and 4:30 and 6:30 in the evening—but that no passenger must be ejected from a car for refusing to pay the regular fare. Because of this order there was very little confusion even on the first night, when those who were out were expecting some sort of excitement and more or less disposed to start something of the kind. In the next few days some persons rode free after tendering three cents, and refusing to pay any more, and on the first Sunday there was more or less family joy-riding at the expense of the company, but in less than a week the novelty of these conditions had worn off and nearly all the passengers paid their fares as before. Now nearly eighty-five per cent of those who ride are paying full fare, and the company reports that many of the others are not regular passengers and would not be using the cars at all if it were not for the chance to ride free.

The Detroit situation is explained by Henry M. Hyde in a recent issue of the *Chicago Tribune*. As explained by Mr. Hyde there is a 3-cent fare on the so-called Pingree lines covering only about 60 miles of streets. On the other lines the ticket fare is 7 for 25 cents, except that during the rush hours 8 tickets for 25 cents are sold, *with no transfer privilege*.

The following extract from a letter by Peter Witt, city street railroad commissioner of Cleveland, states the rates in Cleveland.

The rate still is what it has been during the past three years, 3 cents with a penny charge for transfer and a penny rebate. It is quite possible that owing to the scrapping of a lot of obsolete machinery the penny charge for a transfer, without rebate will have to go on. This will affect 25 per cent of all car rides, and will be in operation, if put on, for about one year.

From this it will be seen that the statement that there are 3-cent fares in the four cities mentioned is decidedly misleading. In view of Mr. Jones' insistence on comparing Duluth and Superior it might be expected that he would have compared street railway fares in Milwaukee with fares in St. Paul and Minneapolis, where a straight 5-cent fare is charged. But his only comparison of Milwaukee and the Twin Cities relates to service, and consists of unsupported statements which are not supported by the facts.

The following facts, for the year 1912, *before the improvements in Milwaukee service* were ordered, are of interest as showing the fallacy of his conclusions:

	St. Paul and Minneapolis	Milwaukee
Average fare.....	5.00 cts.	4.24 cts.
Ratio of transfer to revenue passengers.....	37.18 per cent	36.85 per cent
*Net earnings per revenue passenger.....	2.51 cts.	1.92 cts.
Revenue passenger per car mile.....	6.106	6.634
Miles of single track per 1000 revenue passengers.....	0.00187	0.00150
Car miles per mile of track.....	87412	100675
Car miles per \$1000 of operating earnings.....	3244	3524
Capitalization per car mile.....	\$1.68	\$1.52
*Net earnings per dollar of capitalization.....	9.119 cts.	8.412 cts.

*Net earnings include amounts available for taxes, depreciation, and interest.

In the light of the facts shown by the foregoing table the claims for superior service in the Twin Cities do not appear to be well supported. It must be remembered, too, that these facts relate to Milwaukee service prior to the service order. With 13,000 more car miles per mile of track than in St. Paul and Minneapolis and with 3524 car miles per \$1000 of operating earnings as compared with 3244 in the Twin Cities, the service in Milwaukee is certainly not as poor as Mr. Jones would have us believe.

There is perhaps only one other statement made by Mr. Jones which need be mentioned here. He says that "the commission has authorized the issuance of nearly one billion dollars' worth of securities of public utilities." In this statement he leaves the realm of facts entirely. Up to 1911 the commission had no power to prevent the issuance of public utility securities. This power was conferred by the legislature of 1911. Up to June 8, 1914, the commission had authorized the issuance of public utility securities of all classes amounting to \$13,668,435, of which \$2,684,475 was for refunding purposes.

A number of utilities are operated in connection with street railways and the securities authorized for these companies are not separable between the utility and the railway businesses. The total authorizations for these companies amounted to \$17,935,000, of which \$4,585,000 was for refunding purposes.

Taking all the issues including the portion for street railways, the authorizations to public utility companies amount to \$31,603,435, and only \$24,333,960 of this was for new purposes. This is quite different from one billion dollars, in which Mr. Jones must have included all steam road securities, original and refunding, and then added about 50 per cent for good measure.

The opposition of utility companies to the stock and bond law arises from the fact that the law has prevented over-capitalization, has prevented the manipulation of securities and the unloading of properties on an uninformed public, and has destroyed the field for the wild cat promoter.

There are many other portions of Mr. Jones' paper which might be challenged, but the limits of this article will not permit of a full reply at this time. It is believed, however, that enough has been said to show the fallacy of his argument and the misinformation under which he has apparently labored with regard to the facts. Inasmuch as his attack rests almost entirely upon the "facts" which he quotes and practically not at all upon questions of principle, it seems that no further refutation of his statements need be made.

BOOK DEPARTMENT

NOTES

BARBOUR, SIR DAVID. *The Influence of the Gold Supply on Prices and Profits*. Pp. xii, 104. Price, \$1.25. New York: The Macmillan Company, 1914.

Sir David Barbour has again shown his interest in the theory of money. In 1912, *The Standard of Value* dealt with the quantity theory of money and with the introduction of the gold standard into India. In this volume he contends that the soundness of the quantity theory "is beyond question and the controversy ought to be closed" and devotes himself to showing how the quantity of money affects prices. Just what may be the distinction between this form of treatment and an argument as to the validity of the theory it is hard to determine.

A summary of the book does not seem necessary as it is merely a restatement of the usual arguments for the quantity theory with little originality of treatment. Throughout the author shows himself a firm believer in the Ricardian explanation of the movement of the precious metals—so much so that one wonders how he would explain the heavy importations of gold into France and Germany in the last few years since price differences are at least not obvious as an explanation. Belief in natural law is repeatedly emphasized as in the assertion (p. 8) that "prices are determined by human beings who are liable to make mistakes. But there are influences at work which tend to correct such mistakes and prices always tend to be regulated by economic considerations." As a brief summary of the arguments for the quantity theory the volume is interesting but it adds little to our knowledge of the subject either in its statement of fact or in its method of treatment.

CANNAN, EDWIN. *Wealth—A Brief Explanation of the Causes of Economic Welfare*. Pp. xxiii, 274. Price, 3s. 6d. London: P. S. King and Son, 1913.

Professor Cannan's previous works have usually been of the erudite sort, dealing with refinements of economic analysis and of textual criticism. This new work reveals the same careful habit of mind, but both in purpose and in execution the exposition is more popular. It has been "evolved gradually out of the annual course of lectures which I have given for first-year students at the London School of Economics." There is an avoidance of any discussion of wages, profits and rent. These categories are regarded as of only local and historical importance. There is little illustrative detail and little discussion of current practical problems. Fundamentals are regularly emphasized. The keynote of the work is perhaps better expressed in this sentence than in any other: "Our system may be a bad system, but it is a system of some sort; it is not chaos." The dominating phases of this order are the points regularly emphasized. Particularly striking is the discussion of inequalities of individual income and of variations of national wealth. The book will be found useful both to specialists and to the more thoughtful of the general reading public.

CARLTON, FRANK T. *The Industrial Situation*. Pp. 159. Price, 75 cents. New York: Fleming H. Revell Company, 1914.

As part of a general plan to socialize church work, the Federal Council Commission on the church and social service is authorizing a number of books by leading authorities which present in succinct elementary form some of the leading industrial and social problems of the day. Professor Carlton has written a book which qualifies splendidly for this series. On the one hand, the book contains a maximum of important up-to-date facts. On the other, it is amplified by summaries and questions which throw considerable light upon the fundamental problems involved in the questions under discussion. Social evolution resulting in modern industrialism; the effect of industry upon the home, upon the school, and upon women and children; wages, hours and conditions of employment; organized labor; and movements for industrial betterment, make up the bulk of topics which are discussed.

CARSON, W. E. *Mexico: The Wonderland of the South*. Pp. xiii, 449. Price, \$2.50. New York: The Macmillan Company, 1914.

Travel books on Mexico are of course especially popular during the present difficulties with our neighboring republic. Mr. Carson's breezy, interesting account of his trips through the country have already made this book well known. The edition of 1909 has been enlarged by the addition of an account of Mexican affairs since Diaz. In the other chapters there are a number of statements made which show the work of revision to have been carelessly done since they refer to conditions existing at the time of the first edition but now outgrown. There is little except in the chapters added in the new edition to indicate the darker side of Mexican life, the economic unsoundness of the national finances, and the unfortunate results of the land system and peonage. The chief emphasis is upon the characteristics of travel, the landscapes, the old world cities and the economic possibilities of the country.

CHEYNEY, EDWARD P. *A History of England From the Defeat of the Armada to the Death of Elizabeth*. (1st vol.) Pp. x, 560. Price, \$3.50. New York: Longmans, Green and Company, 1914.

CLEVELAND, GROVER. *The Venezuelan Boundary Controversy*. Pp. v, 122; *The Independence of the Executive*. Pp. v, 81; *The Government in the Chicago Strike*. Pp. v, 49. Price, \$1.00 each. Princeton: Princeton University Press, 1913.

Princeton University has rendered a service to the public, as well as paid a tribute to Mr. Cleveland, by publishing in separate, extended form, these lectures delivered by him on the Stafford Little foundation at the university. No two actions of Mr. Cleveland bear stronger testimony to his clear-sightedness, his decision, his independence and honest courage as a national executive than his firm and successful intervention in the Venezuelan controversy with England in 1895, and in the so-called "Chicago strike" of 1894. His vigorous executive insistence on the Monroe Doctrine at the conscious risk

of war with a first-class power reclaimed the American principle from the disrepute into which unsuccessful diplomacy with England, since 1881, had brought it. He not only vindicated the rights of Venezuela, but he brought the doctrine closer to legislative sanction than it had ever been before.

The facts and the merits of this controversy and of the strike are given in the simple and forceful manner characteristic of Mr. Cleveland, and his skillful introduction of important letters and orders adds vividness and reality to the narratives.

The volumes are attractive in form and contain an appropriate preface by Dean Andrew F. West of the graduate college.

VON DEGENFELD-SCHONBURG, DR. JUR. FERDINAND GRAF. *Die Lohntheorien von Ad. Smith, Ricardo, J. St. Mill und Marx.* Pp. viii, 106. Price, M.3. München: Duncker and Humblot, 1914.

FANKHAUSER, W. C. *A Financial History of California.* Pp. 307. Berkeley: University of California, 1913.

This is an exceedingly able study. The author has very clearly separated the period under consideration into epochs and within each epoch has thoroughly analyzed revenues, debts and expenditures. A reader feels that the picture is accurate and sympathetic and that a judicial attitude has been maintained throughout. If all of the financial histories of the states, issued under the supervision of the Carnegie Institution, prove as good as this, we shall have a very valuable collection of monographs.

FRASER, JOHN F. *Panama and What It Means.* Pp. ix, 291. Price, \$1.75. New York: Funk and Wagnalls Company, 1913.

The work of Mr. Fraser is one of the most popular and at the same time one of the most readable accounts of the Panama Canal. The author has confined himself, in the main, to a study of the transformation of sanitary, social and political conditions that has taken place since American occupation. His account of the battle against disease on the Isthmus is particularly illuminating. Probably the most suggestive chapter in the book is that dealing with the future in the Pacific, in which the author analyzes the changes which the construction of the canal is likely to effect in commercial relations with the Far East. Mr. Fraser's book can be unqualifiedly recommended to those desiring a succinct account of the conditions under which the Panama Canal has been constructed, as well as the probable economic and political effects of the new international waterway.

GEST, JOHN M. *The Lawyer in Literature.* Pp. xii, 249. Price, \$2.50. Boston: The Boston Book Company, 1913.

HILL, DAVID JAYNE. *A History of Diplomacy in the International Development of Europe.* (Vol. III—*The Diplomacy of the Age of Absolutism*). Pp. xxvi, 706. Price, \$6.00. New York: Longmans, Green and Company, 1914.

HOFFMAN, FREDERICK L. *The Statistical Experience Data of the Johns Hopkins Hospital, Baltimore, Md., 1893-1911.* Pp. ii, 161. Price, \$2.00. Baltimore: The Johns Hopkins Press, 1913.

Mr. Hoffman has here aggregated in a compact form the statistical data found in the annual reports of the Johns Hopkins Hospital. Taking the death rate as the best test, from a medical and hospital viewpoint, of hospital efficiency, he has presented an extended analysis of mortality rates by age, sex, race, cause of death and mode of treatment. No other hospital in the United States today, to the author's knowledge, furnishes the required information in an equally admirable manner. It is to be hoped that Mr. Hoffman's monograph will make available to a greater number of persons the information contained in the annual reports of the hospital and will afford the beginning of a movement in the direction of uniform hospital statistics.

HUGHES, ANNE E. *The Beginnings of Spanish Settlement in the El Paso District.* Pp. 97. Berkeley: University of California, 1914.

KENNEDY, J. C., et al. *Wages and Family Budgets in the Chicago Stock-yards District.* Pp. 80. Price, 25 cents. Chicago: University of Chicago Press, 1914.

Mr. Kennedy and his assistants have added another valuable piece of first-hand research work to the extant studies of wages and the standard of living in a restricted area. Eight hundred dollars is fixed as a minimum. "We believe that no family of five can live decently in the Stock-yards District on less than this amount" (p. 79). Although no general wage figures are given, the wage statistics for specific plants show that from 10 to 20 per cent of the male wage-earners receive as much as \$800 a year. The resulting destruction of family standards is appalling, as the authors forcibly point out. The study is, if anything, too brief; and too few details are given on which conclusions may be based. The method of investigation is the most complete reported by any recent standard of living study in the United States.

LOWELL, A. LAWRENCE. *Public Opinion and Popular Government.* Pp. xiv, 415. Price, \$2.25. New York: Longmans, Green and Company, 1913.

LOWRY, E. B. *Teaching Sex Hygiene in the Public Schools.* Pp. 94. Price, 50 cents. Chicago: Forbes and Company, 1914.

A carefully written primer on a subject which is attracting widespread attention. The author has sacrificed intrinsic value to brevity.

MONKSWELL, LORD. *The Railways of Great Britain.* Pp. viii, 303. Price, \$2.00. New York: E. P. Dutton and Company, 1914.

This book describes the services and equipment of the railways of Great Britain and contains some data regarding rates and fares. The railroads in each section of the country are taken up in turn in successive chapters, the purpose of the volume being to give information regarding the equipment and services of the several systems and to suggest desirable changes. The book is not

written in a critical spirit, but it points the way to conservative progress especially in technical matters. The volume is to be commended to those desiring a concise and first-hand account of the equipment, operating methods, service, charges, and finances of British Railways.

MOSES, ROBERT. *The Civil Service of Great Britain*. Pp. 324. Price, \$2.00. New York: Columbia University, 1914.

NIEMEYER, TH. und STRUPP, K. *Jahrbuch des Völkerrechts*. Pp. viii, 1556. Price, M.38. München: Duncker and Humblot, 1913.

The yearbook covers the period from September 1, 1911, to August 31, 1912, and contains much of interest to students of law and diplomacy.

Property—Its Duties and Rights. (Essays by Various Authors with an Introduction by the Bishop of Oxford). Pp. xx, 198. Price, \$1.50. New York: The Macmillan Company, 1913.

The volume contains seven essays on historical, philosophical, and religious conceptions of property written by English university men, five of whom are professors or lecturers at Oxford. It is designed to create some background for a constructive ideal or principle of property among those who revolt from the accepted idea and use of private property in present-day organization. The reasoning of the essayists converges toward their support of the biblical doctrine of the stewardship of property, property as a trust, and of a phase of community ownership, which would leave to the individual what he needs for freedom and what he is able to use, and would restore to society the direct ownership of some things and the "eminent" ownership of things that are essential to the production of wealth. The subjects treated are: The historical evolution of property, the philosophical theory, the principle of private property, the biblical and early Christian idea of property, the theory of property in Mediaeval theology, property and the reformation, property and personality.

SALIN, EDGAR. *Die Wirtschaftliche Entwicklung von Alaska (und Yukon Territory)*. Pp. viii, 226. Price, M6. Tübingen: Verlag von J. C. B. Mohr, 1914.

A study of industrial concentration, using Alaskan development as inductive and illustrative material. The sources of information are largely in English, United States government reports forming a considerable proportion of these.

SEASHORE, CARL E. *Psychology in Daily Life*. Pp. xvii, 225. Price, \$1.50. New York: D. Appleton and Company, 1913.

By a method which he defines as "selective rather than consecutive," the author discusses in a very readable way some of the aspects of the every day mental life and reactions of the individual. Particular rules for cultivating a serviceable memory and for maintaining mental health and efficiency are illustrated by concrete material taken from daily life and the psychological laboratory. The book will no doubt stimulate some of its readers to a more sys-

tematic study of a science so fundamental in its principles and far-reaching in its applications to different phases of human activity.

The behaviorist will look in vain for the chapter on habit which he might expect to follow the lively treatment of play with which the book begins. Nor will he entirely approve the exclusion of the social reactions of every day life. He will find, however, that the first of these omissions is made up to a large extent in later chapters and the latter in another volume of the same series.

The author has an optimistic enthusiasm for mental health and believes that one may develop mental efficiency by estimating his endowments and mental handicaps and proceeding forthwith to adopt a method of life according to the principles of psychology and the conservation of human energy. Subject yourself to scientific management and you will not only be healthy and efficient but successful and happy as well.

SMITH, EDGAR FAHS. *Chemistry in America*. Pp. xiii, 356. Price, \$2.50. New York: D. Appleton and Company, 1914.

Chemical achievement in America has been one of the foundations of our industrial development. The history of achievement in this field could have no more suggestive outline and no more salient illustration than that afforded by Dr. Smith in this volume. Some real treasures illustrating the early days of chemistry in America are brought to light, and are put in accessible form for the first time.

SOWERS, DON C. *The Financial History of New York State from 1789 to 1912*. Pp. 346. Price, \$2.50. New York: Longmans, Green and Company, 1914.

This is another of the monographs prepared under the direction of the department of economics and sociology of the Carnegie Institution. The study covers the interval from 1789 to 1912, treating each topic for the entire period rather than dividing the history into epochs. As a result the reader does not feel the growth of the state as a whole. This feeling is intensified by the lack of interpretation and vigorous criticism, the study being descriptive rather than analytical.

TAUSSIG, F. W. *The Tariff History of the United States* (6th rev. and enlarged ed.) Pp. xi, 465. Price, \$1.75. New York: G. P. Putnam's Sons, 1914.

In the present edition, the tariff history of the United States is brought down to date by the insertion of a chapter on the tariff of 1913. This act makes the greatest change in our tariff system since the Civil War. It does not bring free trade; but it does mean a great lowering of protection. The author expresses the belief that in the long run the new tariff will brace and strengthen the country's industries, and make it easier to frame future duties without log-rolling or manipulation.

TAYLOR, W. G. L. *The Credit System*. Pp. x, 417. Price, \$2.25. New York: The Macmillan Company, 1913.

There are, according to Professor Taylor, three main stages of price theory. First came the quantity theory, next the view expressed in the phrase "business

makes money," and last of all the dynamic theory advanced in this treatise. The viewpoint of the author is evolutionary, his explanations are made with the aid of "biological analogy, which is believed to be of the essence of explanation," and the study of crises was the point of departure in writing.

Several of the suggestions in the book are extremely interesting. The insistence that "price fluctuation is itself a normal phenomenon" and the attempt to avoid "the entanglement of 'normal' and 'abnormal'" are stimulating. A refusal to believe in the workings of a mysterious "natural" law whose operations are occasionally interrupted and an "abnormal" or "unnatural" situation produced, is gratifying and is another evidence of scientific methods.

Unfortunately, however, the author's ideas are obscured by an unfortunate style. In many places the reviewer is unable to determine the meaning of the expressions used. Thus the statement (p. 196) that "logical analysis is agnostic of antecedents, before a chosen point of departure" suggests the truth of the current saying that language is a device "to conceal thought." More important, however, is the doubtful value of such an extreme use of biological analogy as the author has employed. It may be (p. 2) "of the essence of explanation" (whatever that may mean), but it is treacherous.

WHITLOCK, BRAND. *Forty Years Of It*. Pp. xii, 374. Price, \$1.50. New York: D. Appleton and Company, 1914.

This is an interesting and informing book of memoirs happily written before the author had reached the autobiography stage. With the style of a literary artist, and with a social philosophy wrought out through years of experience with men, first as a reporter, then as a lawyer and finally through four terms as mayor of the city of Toledo, Mr. Whitlock tells us of the human processes in the actual workings of our urban democracies. The book teems with intimate, human, informing discussions of franchises, vice, social workers, politicians, policemen, legislators, puritans, and of reformers and others of their ilk whose cure-all is that "there ought to be a law." Tom Johnson, Golden Rule Jones and Brand Whitlock himself are recreated in flesh and blood as understood and believed in by their friends. The reader finishes the book with a feeling, that he sees, though nowhere in the book are any reasons jotted down, why Mr. Whitlock held the three prerequisites of urban democracy to be the non-partisan ballot, home rule, and municipal ownership and operation of public utilities.

WHITTEN, ROBERT H. *Regulation of Public Service Companies in Great Britain*. Pp. 231. New York: Public Service Commission for the First District, 1914.

This report is the result of a special investigation undertaken on behalf of the department of regulation of municipal utilities of the National Civic Federation. There have been selected for special study those phases of the control of public service companies as carried out in Great Britain which seem to be of peculiar interest in connection with our own problems. The author regards the British sliding scale system for the automatic regulation of the rates of charge

and dividends of gas companies as better than the American system of occasional rate regulation. He develops a new system of control which he calls the "merit rating method," and which he recommends as better than either of the above methods. Under the merit rating method the state commission "will periodically rate the companies on the basis of comparative efficiency in serving the public and allow them to earn dividends varying with such efficiency." This is an interesting suggestion, and one worthy of careful consideration by all who are interested in the general problem of public service control.

WORCESTER, DEAN C. *The Philippines, Past and Present*. (2 vols.) Pp. xvi, 1024. Price, \$6.00. New York: The Macmillan Company, 1914.

WRIGHTINGTON, S. R. and ROLLINS, W. A. *Tax Exempt and Taxable Investment Securities*. Pp. 234. Price, \$3.50. Boston: The Financial Publishing Company, 1913.

REVIEWS

BEARD, CHARLES A. *Contemporary American History. 1877-1913*. Pp. vii, 397. Price, \$1.50. New York: The Macmillan Company, 1914.

A book of this nature lies in the border zone between history and politics. Because of the difficulty of securing a proper perspective of recent events, American histories usually leave the student stranded somewhere between the period of reconstruction and the Spanish-American war. On the other hand, books on American government frequently lack the historical background necessary for a proper understanding of current events. To bridge this gap is a contribution of value to students of history and government, and to the general reader who desires a brief summary of the conditions and tendencies underlying present American problems.

The author abandons the usual chronological method of history for the topical method, and subordinates minor details to broad movements. One chapter is given to the restoration of white control in the governments of the Southern States. Another traces the economic revolution following the Civil War. Others deal with party issues during the past quarter-century, with the growth of imperialism, the development of capitalism, and the various manifestations of dissent as expressed in numerous minor parties. The policies of Roosevelt and the causes of republican disintegration in the campaign of 1912 are given especial attention.

Perhaps the most interesting chapter to the student of government is the one entitled the revolution in politics and law. This is a valuable digest of the theory and decisions of the supreme court in interpreting the fourteenth amendment to the federal Constitution as the bulwark of property rights against legislative interference. The author gives evidence to show that the framers of this amendment had in mind a far wider purpose than the safeguarding of the newly emancipated slaves from their former masters, and that they deliberately intended to nationalize the prevalent theory of *laissez-faire* in business matters against attempts at control on the part of law-making bodies in the commonwealths. The various steps by which the federal courts developed the power of judicial review over attempts of state legislatures to regu-

late corporations and labor are an interesting phase of the growth of our unwritten Constitution.

In tracing the underlying causes of recent American development, more than usual emphasis is laid on economic and social factors, and the close connection between business and politics is insisted upon throughout. While aiming at strict impartiality in statements of fact and in interpretation, the author's sympathy with what are generally called radical movements is also evident. As a stimulus to thought and as a basis for discussion this book will prove of the greatest value.

RAYMOND GARFIELD GETTELL.

Trinity College.

BILGRAM, HUGO. In collaboration with Louis Edward Levy. *Cause of Business Depression*. Pp. xvii, 531. Price, \$2.00. Philadelphia: J. B. Lippincott Company, 1914.

Although intended as an explanation of periods of commercial depression, revealed by an analysis of the basic principles of economics, this volume becomes, by reason of the authors devoting 361 out of 531 pages to the analysis of economic principles, rather a text on economics than a study in a definite field. The first portion deals with value, prices, money and credit; the second with the distribution of wealth; the third with restraints on industry, including a chapter mathematically describing the periods of the trade cycle; and the remainder of the book (151 pages) is devoted to an explanation of a proposed system of currency reform and its effects.

In the opinion of the authors, fluctuations in business are due to the fact that our money is limited, partly by natural conditions and principally by law. As a remedy it is proposed to remove the legal limitation of the use of credit as a medium of exchange which prevents the supply of money from meeting the demand. The following methods are advocated:

1. Broaden the range of securities acceptable from the agents of issue by the treasury as a basis for bank notes. Liens on real property are suggested as desirable for this purpose.

2. Notes issued on this basis to be redeemable in gold from a fund in the custody of the government. Such fund is to be supplied by the banks applying for currency.

3. An insurance fund to secure deposits, to be created by requiring all banks to deposit, say 2 per cent of their capital and surplus.

4. The formation of a credit clearance system by composing societies of business men in their respective localities.

The new currency law is considered by the authors to be a step in the right direction, but not sufficient to correct the evils.

The present monetary system by placing restrictions upon the issuance of currency gives to money a power which it would not otherwise possess, in the authors' opinion. Since the quantity is insufficient for the needs of the community money becomes desirable, thereby obtaining the power to command an unearned income as a return to lenders of money and owners of capital.

One criticism which might be made is that although the authors state "this study must begin with observation of facts and classification of statistics,

from which to determine the cause or causes that produce the observed results," conditions are very generally and broadly described and statistics are non-existent. Thus, although lack of money is considered the principal cause of the phenomena studied, in the United States in 1837, 1857, 1873 and 1893 the amounts of paper currency in circulation were very large comparatively, while these were years of severe crises. The unusually large proportion of paper money to specie in crisis years is also significant.

All investigations have failed in the attempt to show conclusively one predominant cause of variations in business generally, and this one is no exception in this respect. It is, however, a very good presentation of the lack of an exchange medium theory and of the defects of the previous currency system in this country.

R. RIEGEL.

University of Pennsylvania.

CHANDLER, W. H. *The Express Service and Rates*. Pp. v, 340, and Supplement. Chicago: La Salle Extension University, 1914.

This work by the assistant manager of the traffic bureau of the Merchants' Association of New York contains a practical and clearly stated account of certain phases of the express business. Being written at this late date the author had the advantage of the important decisions rendered by the Interstate Commerce Commission which to some extent rendered obsolete earlier works dealing with express tariffs, classifications, rates and regulations.

The most valuable chapters of Mr. Chandler's timely book are those describing the newly prescribed system of quoting express rates, and the newly adopted express classifications, rates, tariffs and regulations. Much practical information is also contained in the chapters dealing with express forms, the express receipt, railroad contracts, public regulation, express company organization, and the money, financial, foreign, order and commission departments. It also contains a comparison of the relative rates and services of the express companies and the parcels post. The discussion in these chapters is supplemented with detailed tables of rates and the reproduction of numerous tariffs and forms.

Although the book contains a short historical chapter and another dealing with express capitalization and earnings, these subjects are not fully treated. It likewise makes no effort fully to describe the principles underlying express rates, and the factors considered in their determination. It is likely that it was not the author's purpose to enter into a lengthy discussion of these phases of the express business.

G. G. HUEBNER.

University of Pennsylvania.

DANIELS, JOHN. *In Freedom's Birthplace*. Pp. vi, 496. Price, \$1.50. Boston: Houghton, Mifflin Company, 1914.

Among local studies of the Negro problem this volume stands easily in the first rank. It describes the career of the Negro in Boston from his advent in 1638, eight years after the settlement of the colony, through the vicissitudes of

his emancipation and adjustment as a free citizen, to his present status in Boston in 1914.

A wealth of material has been collected concerning Negro leaders throughout the entire period and the achievements of these men constitute some of the most interesting if not the most important portions of the work.

Chapters are devoted to the description of the struggle for freedom which was participated in most generously by the "free persons of color;" to the experience of freedmen when thrown upon their own resources; to the social and ethical advance; to the church; to the economic achievements; and to his experience with the ballot. The last chapter discusses the future of the Negro people.

In reference to the economic situation a most painstaking analysis is made of occupations, business enterprises and ownership. While some aspects of the problem are discouraging the author concludes that "the Negroes in Boston are not only laying an economic foundation, but are accumulating a surplus with which to rear the structure of a better family and community life."

As to the future of the Negro the author believes that, measured against the background of his African jungle home, his conditions under slavery, and the "reconstruction" experiences, his present attainments are at least remarkable. His present actual inferiority and the prevailing prejudice against him constitute the real hindrances. Both of these, however, are neither irreducible nor necessarily permanent.

The whole book, while frankly describing the difficulties and dangers, is decidedly optimistic. On the whole it is one of the most unbiased studies we have seen. It is perhaps unfortunate that the author has not given the book a title that would indicate something of its contents. The appendices containing very complete statistical tables and the excellent index add greatly to the usefulness of the book.

J. P. LICHTENBERGER.

University of Pennsylvania.

DEWING, ARTHUR S. *Corporate Promotions and Reorganizations*. Pp. viii, 615. Price, \$2.50. Cambridge: Harvard University Press, 1914.

This book, though burdened with a mass of undigested tables, is thorough and scholarly, and a most valuable contribution to the literature of trusts and corporation finance.

The main contribution of this work is a detailed study of a selected group of industrial combinations, each of which has passed through the cycle of promotion, failure, and reorganization. The consolidations discussed are: The United States Leather Company; the starch consolidations; the glucose combinations; the cordage consolidations; the Westinghouse Electric and Manufacturing Company; the National Salt Company; the United States Realty and Construction Company; the American Bicycle Company; the American Malting Company; the New England Cotton Yarn Company; the cotton duck consolidations; the asphalt consolidations; the United States Shipbuilding Company; and the American Glue Company. This list is not intended to be exhaustive; it would clearly be impossible to present in the compass of one book all the cor-

porate promotions and reorganizations. But enough consolidations have been chosen to illustrate the various causes of failure, and the means of reorganization. In three concluding chapters the various promotion schemes and reorganization expedients are summarized.

The point of view of the author is of especial interest. He is apparently a thorough-going believer in the *laissez-faire* principle. He hazards the belief that whatever "trust problem" exists will work out its own solution. Restrictive regulation will only hamper the efficient corporation, and the doom of the inefficient waits on no legislative regulation, but is rather delayed thereby.

In developing the point that legislative action is unnecessary, it is maintained that the success of a consolidation is dependent upon the presence of one of two conditions. Consolidation may be successful if it has at its command executive ability of a high enough order to cope with the difficulties besetting the administration of a large business. The author is much impressed, as he states in the preface, by the tremendous importance of individual ability, or its lack, in determining the success or failure of any enterprise. But he is likewise much impressed by the difficulty of obtaining men with ability to manage a large and scattered group of concerns as efficiently and as economically as a man of ordinary ability can manage a single concern. The lack of such men, or, at least, the failure to find them, explains the unsuccessful outcome of many corporate consolidations, and renders the success of still others problematical.

Yet even though a consolidation is not managed by the most able entrepreneurs, it may still be successful if it is secured against unrestricted competition through having a monopoly control over some essential raw material, some patent, or some franchise. However, in only rare cases are these conditions realized, and the author therefore feels that the trust problem may be left to work out its own solution.

It is at this point that the conclusions of the author are open to criticism. Though certain of the combinations, or trusts, have gradually lost control because of inefficient management, and because of the insistent pressure of vigorous competition, these disintegrating forces will work out their results but slowly, if at all, in the case of those trusts whose monopolistic position is based on the ownership of raw material, or on the enjoyment of patent and franchise privileges, supplemented possibly by the possession of enormous capital, the use of objectionable competitive methods, and the shelter of favoring tariffs. To deal successfully with such monopolies, something more than a *laissez-faire* policy would seem to be required.

ELIOT JONES.

University of Pennsylvania.

DUNLOP, ROBERT. *Ireland under the Commonwealth*. (2 vols.) Pp. ccliv, 753. Price, \$8.00. New York: Longmans, Green and Company, 1913.

The character of this work is better indicated by its description in the subtitle as "A Selection of Documents Relating to the Government of Ireland from 1651 to 1659." The documents, excepting a few from manuscripts in the library of Trinity College at Dublin, are taken from certain volumes in the Irish Record

Office known as the "Commonwealth Records." These volumes contain copies of the letters and orders issued by the Irish commissioners (later the lord deputy and council) who had charge of the government of Ireland during the period. They consequently display the actual application of the principles of the Cromwellian settlement and constitute our most important source of information about that much-mooted policy. Mr. Dunlop, to be sure, does not reproduce the contents of these volumes in full, but the selections printed, in his opinion, "comprise, with the exception of a number of petitions possessing only a limited interest, a fairly complete record of all that is likely to prove of value to the student of the period." He further informs us that the collection was made with the object of assembling "every scrap of information bearing on the government of Ireland by the Commonwealth regardless of whether it told for or against that government" (p. x).

These materials, moreover, are for the most part made accessible to the student outside of Dublin for the first time. Prendergast, who rediscovered these records, used them extensively in the preparation of his *Cromwellian Settlement of Ireland* and included many extracts therefrom in his notes to that work. He rarely gives more than a small portion of any one document, however; his transcriptions are not always accurate, and their value is further impaired by his method of choosing the excerpts to illustrate a not impartial text. This is the only place where any of the orders have been previously printed. A few of the letters have found their way into print elsewhere through the preservation of a small number of the originals of which the "Commonwealth Records" contain only the official copies. Mr. Dunlop finds, however, that with the exception of those in Firth's *Memoirs of Edmund Ludlow*, which constitute the most considerable single collection, they have been poorly edited. Furthermore, it seems probable that the letters were first written in the copy books and then transcribed, which renders the copies of value even where the originals exist.

Mr. Dunlop does not explain fully the principles which he has followed in editing the documents. Some appear to be in the form of abstracts similar to those found in a calendar, while others, although given *verbatim*, are not in full. By far the largest and most important part of the contents, however, is enclosed within inverted commas and apparently consists of reproductions in *extenso*. The spelling has been modernized throughout.

Mr. Dunlop supplements the documents with erudite notes concerned mainly with the identification of persons and places and with an ample introduction. The latter contains not only a summary of the period covered by the documents, but also a survey of the period from 1541 to 1651 chiefly for the purpose of tracing the causes of the rebellion which began in 1641. Briefly, Mr. Dunlop's thesis is that the rebellion was not caused primarily either by Roman Catholic plots or by agrarian difficulties, but by a feeling of antagonism "between the English in Ireland and the English in England" (p. ix). He explains how the levy of cess in Elizabeth's reign tended to arouse the constitutional opposition of the gentry of the Pale, while the policy of settlement at the same time caused the hostility of the native Irish. Religion, which at the beginning of Elizabeth's reign had been a matter of indifference, by the close of her reign

had become, through the activities of the Jesuits, a divergence of burning importance. The consequent tendency of the native Irish and the Anglo-Irish to heal their immemorial differences and to draw together against the common oppressor becomes evident before 1603 and during the reigns of James I and Charles I ever grows stronger, until a united Catholic Ireland rose in 1641 to free itself from the danger of a puritan parliament in England. The narrative is based on a careful study of original materials and adds much to our knowledge of Irish history under the Tudors and Stuarts besides this new point of view.

W. E. LUNT.

Cornell University.

FIELDING-HALL, H. *The Passing of Empire*. Pp. viii, 307. Price, \$2.50. Boston: Houghton, Mifflin Company, 1914.

HOUGHTON, BERNARD. *Bureaucratic Government: A Study in Indian Polity*. Pp. vii, 200. Price, 3s. 6d. London: P. S. King and Son, 1913.

These two books treat almost the same subject matter and arrive at substantially the same conclusion, both are studies of Indian unrest and present a constructive criticism of present-day British policy in the empire. The first is anecdotal and suggestive, the second is devoted to closer argument and gives greater space to the philosophy of government. Both authors write from a background of official experience in India and both choose most of their examples from the government of Burma.

Mr. Fielding-Hall's argument runs as follows: Indian government was formerly successful because it depended on commanding personalities. The English administrator went out at the age of sixteen or eighteen. He was educated after he arrived. Western civilization did not have a chance to stamp itself upon his character but he grew up in Indian conditions and knew the language and the people. Communication was slow, he cultivated judgment and though his power was arbitrary it was tempered by discretion. The old village organization of Indian society was not disturbed and the English officer, who was not only the representative of government but government itself, had an organic connection with the life of the people. His was a human government, one which recognized that fundamentally the Oriental was moved by the same motives as the Occidental and that the basis of control was sympathy and mutual understanding and respect.

New conditions have destroyed this basis of control. Communication has improved, the officer has become only the last link of a chain which extends to the viceroy and the privy council. As a result freedom of decision has vanished from him, he becomes only the agent of a central authority charged with the duty of carrying out the iron-bound rules of the Indian code. At the same time that he has been made a functionary without real power or discretion the influence of the village which was the basis of Indian government has been destroyed. The headman instead of being part of the village charged with the administration of a unit possessed of a large degree of local autonomy, has become merely "a finger of government" no longer commanding the confidence and respect of the community because he is both in it and of it. The

remedy the author believes lies in recreating so far as possible the advantages formerly possessed by the government.

One of the most pressing needs is a reform of the penal and civil codes in such a way that justice will no longer be a game where each side plays to win at whatever cost. The judge should be given power to encourage the accused to confess by holding out possibilities of lesser penalty, if the affair is arranged without formal trial. The laws which punish villages and individuals without actual proof of wrong-doing should be abolished. They were fitted to an earlier stage of Indian society but often result in serious injustice under present conditions. The codes in fact, by crystallizing old Indian custom, have made healthy legal growth impossible.

English officers should go to India at an earlier age so that they may become acquainted with Indian conditions while their own minds are still plastic. The Indians should be encouraged to enter the civil service but are not to be appointed to the higher administrative positions, because they have not yet developed the capacity to handle the work they would there be called upon to do and because the Indian peoples themselves would not have confidence in them in such positions. Meanwhile local government should be given new life by granting the village a degree of local autonomy, and gradually developing higher district and provincial assemblies. The present councils, the author believes, are worse than a farce because they have no organic connection with the life of the population. Education for self-government is the only means by which Indian unrest can be stilled. It will again make India contented. "To conquer India was great . . . but to make of India a daughter not a subject . . . that will be greater still."

Mr. Houghton's argument is to a large degree a parallel. The change from the old to the present system he pictures as the growth from an autocracy to a bureaucracy. The result is that English government has become lifeless, and formalistic. He has greater confidence in the councils than has Mr. Fielding-Hall. The partition of Bengal he holds was a mistake of the bureaucracy which might have been avoided by the creation of a new council. He thinks that instead of demanding a servile obedience to the bureaucratic governmental machinery the government would do well to arouse party feeling among the people, and encourage education which would make the party feeling intelligent. Control of affairs should be shifted into the hands of men not of the professional official class. "The keynote to all progress lies . . . in the transfer of the superior control from the bureaucracy to men unwarped by official bias and more in sympathy with popular aspirations." The first condition of keeping the Indian Empire, the author believes, is to extend to the people real self-government. The delay necessary in this development, the author evidently thinks, has been exaggerated.

CHESTER LLOYD JONES.

University of Wisconsin.

GAROFALO, BARON RAFFAELE. *Criminology*. (Translated by Robert W. Millar.) Pp. xl, 478. Price, \$4.50. Boston: Little, Brown and Company, 1914.

Physical Bases of Crime. (Papers and Discussion contributed to the 38th Annual Meeting of the American Academy of Medicine, Minneapolis, June 14, 1913.) Pp. 188. Price, \$4.00. Easton: American Academy of Medicine, 1914.

The first volume is the seventh in the series of nine books selected for translation by the American Institute of Criminal Law and Criminology from the leading continental writers. It was translated by Robert Wyness Millar of the Northwestern Law School.

In the list of scholars who have given to the world the modern science of criminology none is more worthy to stand close beside its gifted founder, Caesar Lombroso, than the author of this work. At present Baron Garofalo is procurator-general at the court of appeal of Venice, senator of the Kingdom of Italy, adjunct professor of criminal law and procedure of the University of Naples, and president of the Italian Society of Sociology.

The scope of the book is best presented in a skeletal outline: Part I, Crime, has two chapters dealing with natural crime and the legal notion of crime; Part II, the criminal, with three chapters—criminal anomaly, social influences and influences of the laws; Part III, repression, four chapters; the law of adaptation, existing theories of criminal law, defects of existing criminal procedure, and the rational system of punishment; Part IV, outline of principles—suggested as a basis for an international criminal code.

A brief review could not give any adequate criticism of such a work. We present, therefore, a mere statement of a few of the leading ideas, for which the author has contended for twenty-five years.

The Theory of Crime. In the nature of things, crime cannot be a juridical abstraction. It is "an action which wounds some one of the sentiments which, by common consent, are called the moral sense of a human aggregation. . . . an act which no civilized society can refuse to recognize as criminal and repress by means of punishment." Injury to one of the elementary altruistic sentiments of pity or probity are its essential elements. "The injury must wound these sentiments, not in their superior and finer degrees, but in the average measure in which they are possessed by a community—a measure which is indispensable for the adaptation of the individual to society. Such crimes are due to "psychic anomalies—exceptions similar to physical monstrosities."

Crime so considered remains a constant factor in the midst of changing laws and moralities, applicable among all peoples whatever the stage of culture.

Classification of Criminals. The author criticizes Ferri's classification of (1) born, (2) habitual, (3) occasional, (4) passionate and (5) insane criminals, as unscientific from the anthropological point of view. His classification is (1) murderers, (2) violent criminals, (3) criminals deficient in probity and (4) lascivious. In the phraseology of this classification one is impressed with the idea that it belongs rather to the classical school philosophy, and turns attention to the character of the crime rather than to the nature of the criminal, but a careful reading of his discussions clears away this difficulty. He says: "To

fight with any hope of success we must know our enemy" and his attempt is to get at the real essence of criminality. Every one who has attempted to use Ferri's classification as a basis of inductive studies has encountered the very difficulties which Baron Garofalo has pointed out.

Enforced Reparation as a Form of Repression. For many years the author has reacted against the forms of punishment which have had as a motive expiation, retaliation or vengeance, and even intimidation. Results from these methods have been hopelessly inadequate. Not only should the victim of crime obtain indemnity from the offender, a thing almost entirely lacking in criminal law, but the enforced reparation would be the most natural and valuable discipline for the criminal.

This volume will give little comfort to the critics of the Italian School who, in their haste to expose what they have regarded as palpable errors, have taken altogether too narrow a view of its claims. Breadth of vision is not the least conspicuous characteristic of the author's work. It is a great book.

Physical Bases of Crime. The American Academy of Medicine was organized originally to secure the standardization of medical education. Since this task is now accomplished, it has turned its attention to the study and discussion of social problems which have a basis in physiology or medicine, or which in any vital way involve the members of the medical profession. The volume under review is a compilation of the papers read before the annual meeting of the Academy held in Minneapolis in June, 1913, and presents the subject from various points of view. Papers were contributed by physicians and surgeons; professors of education, physics, sociology, psychology, law; superintendents of hospitals, reformatories and prisons. The discussions considered the bases of crime in relation to physiologic and psychologic inheritance, pathologic conditions; as a result of feeble-mindedness and insanity; as a product of alcoholism, and specific diseases; as the outgrowth of social conditions, education, parental influences, etc. Commenting on the papers presented, the *Journal of the American Institute of Criminal Law and Criminology*, September, 1913, said, editorially (p. 321): "With no desire to disparage any feature of the program, it may be asserted that the report on 'Heredity as a Factor in Criminality, a Study of the Findings in About a Thousand Cases' reached the high water mark. . . . It represented intensive research and the results reported are of far-reaching value for a theory of the criminal. Up to date it is the most extensive and intensive study of its kind."

The bringing together of such a group of serious scholars, not to exploit any theory or hypothesis, but to confer upon the interrelations of the various scientific studies with a view to the better understanding of the bases of the unsocial habits which we call criminal is an achievement of no little moment. The group of students represented in this meeting would be the last to declare that any finality in the explanation of crime has been reached, but there is the conspicuous absence of any feeling of uncertainty in regard to the value of the positive method of study and investigation. It will be very disconcerting to those who still prefer to think of crime as the result of a deliberate choice of evil to come in contact with this book.

J. P. LICHTENBERGER.

University of Pennsylvania.

HAGERTY, JAMES E. *Mercantile Credit*. Pp. xiii, 382. Price, \$2.00. New York: Henry Holt and Company, 1913.

In discussing mercantile credit the author endeavors to combine a theoretical treatment with a view practical enough to attract the business man. The two parts of the book deal with (1) the origin, development and present status of mercantile credit and (2) legislation. In the first part the theory and history of credit are discussed, credit instruments are classified and the different kinds of credit described. A discussion of mercantile and personal credit is followed by a more concrete description of the work of the credit man, the credit office, sources of credit information, adjustment bureaus, collections, credits and credit men's associations. Part two treats bankruptcy legislation historically and descriptively. A discussion of early legislation is followed by chapters on the bankrupt law of 1800, the bankruptcy laws of 1841, 1867 and 1898, state insolvency legislation and finally laws regulating the sale of goods in bulk.

A distinct service has been rendered by the author in bringing together in one volume a discussion of a subject that had not hitherto been adequately treated. The work of the credit man and his service in the community are not fully appreciated and Dr. Hagerty's treatment of the subject is most welcome. It is unfortunate, however, that present methods of extending credit were not subjected to more careful analysis and criticism. At the present time description is not enough. Thorough scrutiny of our methods is imperative. Under the federal reserve act just passed there will be necessary a careful definition of commercial paper. This definition might be so worded, as to include only double name paper. If this were done present credit methods would be almost revolutionized. Before such a step is taken we should have a careful analysis of the methods now employed. If they are poor they should be abandoned but if an actual improvement over those used abroad they should be retained. It is unfortunate that we have as yet no adequate treatment of this extremely important question.

E. M. PATTERSON.

University of Pennsylvania.

HUNTER, ROBERT. *Violence and the Labor Movement*. Pp. xiv, 388. Price, \$1.50. New York: The Macmillan Company, 1914.

We have here a much-needed study of the history of terrorism in the labor movement. The various discussions of the I. W. W. have shown in their analyses of present conditions a lack of historical background. Mr. Hunter finds that the aims and methods of the radical groups throughout the world are but echoes of the pleas of the anarchists under Bakounin and his followers. The declaration of war between capital and labor, with its accompanying violence, and the organization of labor into "one big union" are but repetitions of old philosophy. The Marxians or parliamentarians have opposed them for almost a century. This opposition has not been based on moral grounds, but on a faith in economic law and on a realization of the impracticability of violence.

The clear historical narrative does not reflect the author's well-known parliamentary leanings. This impartiality breaks down, however, when he

seeks to answer the syndicalist criticism on the socialist philosophy and program. He makes a virulent attack on employers who encourage violence by the introduction of private detectives and militia into labor conflicts. Without doubt this is warranted, but it weakens the scholarly tone of the study. On the whole, however, this volume is a very valuable contribution. It throws much-needed light on the struggles of the various elements in the radical wing of the labor movement.

ALEXANDER FLEISHER.

New York City.

MATHEWS, FREDERIC. *Taxation and the Distribution of Wealth*. Pp. xiii, 680. Price, \$2.50. New York: Doubleday, Page and Company, 1914.

Never has the reviewer seen more convincing evidence of the interrelation of all knowledge. The author is a devotee of the single tax. His arguments against protective tariffs are well presented, his attack being directed against both the "old" protection and the "new." He next assails all other forms of indirect taxation, and then shows the weaknesses of all direct taxes, except that on real property. Finally the adequacy of a land tax which is "the natural tax," the problems of transition from our present system to the new one, the incidence of taxation and the numerous fiscal problems presented are analyzed.

If the author had been content to stop at this point (p. 300), he would have presented a fairly complete and interesting treatment of his thesis, although it contains little that is new and shows a complete dependence upon the writings of Adam Smith and John Stuart Mill. "The abandonment of the import duty, however, entails an unfamiliar form of social organization" and the withdrawal of "power to tax consumption would be followed by a new era in the history of civilization." This at once opens up the entire field of human knowledge. All progress is reviewed. A statement of the evolutionary hypothesis is not "out of place." Since, however, there are important factors in human development relatively, if not actually, independent of the influence of the evolutionary sciences, we must consider intellectual progress. Architecture, sculpture, painting, music, poetry are analyzed and classified and the significance of science to man is considered. But religion must not be omitted, and Lao-tsze, Confucius, Brahmanism, Buddhism, Zoroaster, Egypt, Judaism, Mohammed, Greece, and Rome are successively presented. Midway between the theological and the rational lies metaphysics and this consideration, of course, compels us to review philosophic thought from Thales to the moderns. Last of all appears politics.

Excuses for such a collection of information within the covers of a single volume are hard to find. The author seems to have supposed that erudition is, *per se*, valuable. The first three hundred pages are, as previously stated, somewhat interesting. The latter part of the book is, to put it mildly, a misfit.

E. M. PATTERSON.

University of Pennsylvania.

NEWMAYER, S. W. *Medical and Sanitary Inspection of Schools*. Pp. vi, 318. Price, \$2.50. Philadelphia: Lea and Febiger, 1913.

As the author states in his preface, this book is designed to furnish to physicians, nurses and teachers a guide to the physical examination of school children, and it attempts to develop a deeper appreciation of the relations between mental and physical development.

In the section dealing with the administration of medical and sanitary inspection special emphasis is placed on the importance of the school nurse as an aid to the physician and the belief is expressed that if legislatures will make mandatory the employment of both school nurses and physicians, much greater efficiency will result than where physicians only are employed and there will be no need for legislation designed to compel the parent to obtain treatment recommended for the child. An especially commendable feature of the book is the inclusion of forms used in a proper system of record keeping. The chapter on infectious, contagious and communicable diseases and that on physical defects discusses the most important of these diseases and defects with a view to enabling the person in charge to determine the trouble and take steps to meet it by proper methods. In the discussion of mentality an attempt is made to determine the extent and analyze the causes of retardation. The allotment of 34 pages of a 300-page book to an explanation of the Binet system of testing mentality may seem excessive even in face of a desire to emphasize this portion of the book. As a whole, Dr. Newmayer's book furnishes an excellent handbook for use of anyone interested in medical and sanitary inspection of schools.

BRUCE D. MUDGETT.

University of Pennsylvania.

OPPENHEIMER, FRANZ. *The State*. (Translated by John M. Gitterman.) Pp. v, 302. Price, \$1.25. Indianapolis: Bobbs-Merrill Company, 1914.

This book is a study of the origin and development of the state from the sociological and economic viewpoint. Its material is drawn largely from Ratzel's writings, and in its theory that state origin results from conquest it follows Ratzehofer and Gumplowicz. The economic interpretation of history is emphasized throughout.

Its general thesis follows: There are two methods of securing wealth—production and robbery. The state, as a political organization, results from the latter, the forced subjection of the weak to the strong inevitably following the accumulation of wealth and the rise of economic differences. When capital is vested in land and other forms of realty the feudal state results, at first in the patriarchal tribal form, later in the more developed medieval type. When capital is vested in movable commodities the commercial state results. Of this form the independent city with its outlying trading posts is typical. As a money economy developed and standing armies grew in size, a centralized government resulted, reaching its climax in the Roman Empire. This was destroyed by the exploitation of slave labor. Later, when capital was vested in productive industries, the modern constitutional state was formed. In the future, through the increasing socialization of industry and the disappearance of private ownership of land, the political organization will become less,

and the economic organization more important. The final outcome will be a semi-socialistic "freeman's citizenship," in which class interests have entirely disappeared.

While decidedly one-sided in its neglect of all factors save force in state origin and of all influences save the economic in state development, the book is a brilliant study of certain important phases of political evolution. The author errs in believing that the social-contact theory of state origin is still seriously held, and in considering the political and economic organizations of society as separable and antagonistic. The translation is unusually well done.

RAYMOND GARFIELD GETTELL.

Trinity College.

POND, OSCAR L. *Public Utilities*. Pp. liv, 954. Price, \$6.00. Indianapolis: Bobbs-Merrill Company, 1913.

This is a work of great merit that will be useful to practicing lawyers, state officials and members of public service commissions. At the present time over one-half of the states vest in a commission authority over most municipal and other utilities. A few cities have established municipal public utilities commissions. The activities of these public bodies and of the attorneys who appear before the commissions make such a work as that by Mr. Pond of especial value.

The early part of the volume contains chapters which consider in detail the legal powers of the municipalities, and discusses the legal questions connected with franchises and municipal contracts. Problems of taxation are also considered. The latter part of the book is concerned with problems of regulation of the services and charges of public service corporations. In the chapters upon municipal ownership, the author takes a conservative position, his view being that, "with an efficient regulation and control of the service furnished by municipal public utilities and the rates charged for it, the necessity for municipal ownership as a means of regulation and control in the majority of cases at least would disappear." The author, however, believes that each municipality should be in a position to adopt the policy of municipal ownership whenever conditions justify such a course.

The next to the last chapter of the book discusses and advocates municipal bureaus or commissions as a useful and necessary aid to the city in regulating public utilities. The final chapter of the book considers state public utilities commissions which are claimed by the author to be necessary. The state public service commission is required for the regulation of utilities outside of the big cities in which public utilities commissions may be justified. Even in the case of large cities it is desirable that the state should have such authority over public utilities as may be necessary to deal with interurban questions.

EMORY R. JOHNSON.

University of Pennsylvania.

RIVES, GEO. L. *The United States and Mexico*. Pp. xiv, 1446. Price, \$8.00. New York: Charles Scribner's Sons, 1913.

No branch of the foreign affairs of the United States is susceptible of such widely different interpretations as our relations with Mexico. The events

which led up to our war with that country have been variously pictured as a phase of our internal struggle with slavery and as an example of wanton aggression by a stronger upon a weaker power. Mr. Rives' two well written volumes treat the period leading up to the conflict and the struggle itself from a new viewpoint. His attitude is more impartial than that of those who lived through the troublous times of which they wrote and whose views were warped by their political beliefs or blurred by their nearness to the events. The author has a great advantage too, in that he writes at a time when the diplomatic archives of the countries chiefly interested, the United States, Mexico, Great Britain, and Texas, for the period have been thrown open to free examination.

It is a satisfaction to citizens of the United States to find in the new point of view thus made possible much material that contradicts the early indictments made against our national policies and those who took an active part in their framing. Instead of assuming the attitude of an aggressor the United States is shown to have exercised singular forbearance and self-control. The "watchful waiting" policy in relation to Mexican disturbances is by no means a new feature of our diplomacy. There was no American conspiracy involved in the annexation of Texas and in the Mexican war. The attitude of President Polk is shown to have been far from that generally attributed to him, and the policy of Great Britain is strongly contrasted with what the pro-slavery faction believed it to be. On the other hand the author does not overlook our mistakes, although he shows they were due oftener to ignorance and inability to understand a people of highly contrasted ideals and habits of life than to bad intent. Then as now the people of the United States looked upon Mexico as a country inhabited by a European race, to be judged by the standards of Europe and of English America. In fact, Mexico has always been a country of predominantly aboriginal stock whom the European immigrants have conquered but never expelled.

In order to put our relations with our southern neighbor in their proper setting the author allows himself frequently to digress into discussions of our domestic affairs and includes a rather disproportionate treatment of the Oregon controversy. The reader of the second volume cannot but feel that though intent to write a military history of the Mexican war is disclaimed, the attractions of the study of the campaign have been too great for the author to resist their description.

CHESTER LLOYD JONES.

University of Wisconsin.

THORNTON, W. W. *The Sherman Anti-Trust Act*. Pp. lxiii, 929. Price, \$7.50. Cincinnati: W. H. Anderson Company, 1913.

The consideration now given by Congress to amendments to the anti-trust law gives timeliness to Mr. Thornton's *Treatise on the Sherman Anti-Trust Act*. The work is a comprehensive and well-arranged textbook that must prove useful to practitioners and other students of law.

The volume starts with a good brief history of the enactment of the law. The authorship of the bill in its final form is, however, credited to Senator Hoar on the authority of Senator Hoar's "Autobiography;" but the evidence that

Senator Edmunds wrote most of the bill is conclusive. Mr. Thornton was misled as other writers have been.

Successive chapters of the volume discuss restraints of trade and trusts at common law, what constitutes commerce, and what is embraced in the business of interstate and foreign commerce. These chapters are followed by a consideration of the constitutionality and the construction of the act of July 2, 1890. The provisions of the law are then analyzed. The major part of the book is devoted to a discussion of the application of the law to contracts in restraint of trade, to monopolies, to conspiracy, to control of prices or production, to agreements to eliminate competition, and to agreements affecting interstate commerce. The relation of the law to carriers, to patents, to the patent medicine business, to copyrights and to labor combinations is considered. The later chapters of the book deal with questions concerning procedure under the act—suits in equity, indictments, action for damages, evidence, etc.

The appendices contain the text of the Sherman Act, sections 73 to 77 of the Wilson Tariff Act, and the Senate Report (No. 1326, 62d Congress, 3d Session) on "The Control of Corporations, Persons, and Firms Engaged in Interstate Commerce." There is a good topical index.

EMORY R. JOHNSON.

University of Pennsylvania.

VEILLER, LAWRENCE. *A Model Housing Law*. Pp. viii, 343. Price, \$2.00. New York: Survey Associates, Inc., 1914.

This volume shows marked growth in the author's conception of the scope of housing legislation since his first book on tenement law was published. Its plan is comprehensive, though technical, and will interest those engaged in drafting housing legislation. Especially helpful are the numerous explanatory notes and diagrams. Some sections of the proposed law are new though most of them are on the statute books of the larger cities. The author warns those who contemplate using the book not to attempt to improve it for, he declares, "every word, every comma has been weighed and has its exact and definite meaning."

Contrary to this advice very careful consideration should be given to all its provisions. Especially is this true of the definitions where the phraseology may differ from that established by custom and court decision in the city for which the law is being framed. Moreover some definitions read in conjunction with suggested sections practically nullify the latter. This is true with the definition of the family which nullifies the section governing the taking of lodgers. So also the definition of a rear yard makes sections 22 and 28 contradictory. An unforeseen omission is the failure to establish as strict requirements for privacy in connection with the location of water-closet compartments in tenements as in dwellings. Section 34 requires in every new dwelling one entrance "to at least one water-closet compartment shall be had without passing through a bedroom," but dwellings are of various kinds and include tenement and boarding houses. The author nowhere makes a similar requirement for each apartment within a tenement. It would seem that the reasons justifying such a standard for a single dwelling would hold equally true for an apart-

ment in a multiple building, and emphatically more true for boarding houses. Moreover, there are omissions, as in section 106, where a slight change of phraseology would make the language more inclusive and less discriminatory.

It is just such defects as the above that weaken the book and make what is a splendid conception fall short of its possibilities. It needs revision before it can be recommended as a safe guide in the hands of inexperienced enthusiasts for housing reform. It must not be assumed, moreover, that it covers the whole range of housing legislation. Numerous features common to continental laws and essential to a legislative program for housing reform are here omitted. Undoubtedly the author contemplates a supplementary work later on.

BERNARD J. NEWMAN.

Philadelphia.

WALLING, WILLIAM E. *Progressivism and After*. Pp. xxxv, 406. Price, \$1.50. New York: The Macmillan Company, 1914.

With remarkable power of analysis and breadth of vision, the author analyzes modern progressive movements and present-day philosophies. Socialism, in his opinion, will come, but the development will be gradual and society will pass through a series of slow changes. The class struggle of socialistic propaganda is not yet here.

The present world-wide movement—progressivism—represents the efforts of the small capitalist against the large. Income and inheritance taxes, anti-trust laws and the regulation of monopoly all seek to restore competition. If this cannot be done, the industry is to be managed by the government for the benefit of the farmer and storekeeper. Labor is not completely ignored, because its support is needed. However “there are to be no real *concessions*, no improvement at the expense of profits. Everything that is to be done for labor is either to pay for itself or to bring in profits greater than its costs” (p. 77).

The progressive movement will establish state capitalism. The upper groups of labor, those possessing special skill or the advantages of position due to their place in government industries, will hold the balance of power. Their demands for increased wages and better conditions will be met, even at the expense of the other groups. The control of society by these groups will be the period of state socialism. “The fundamental changes that state socialism will bring in the treatment of the laboring masses will be rather in their more careful protection against rise of the cost of living and in the extension of communistic benefits rather than in any increase in wages” (p. 190).

It is only after this period that socialism will come. It will be brought about by the attack on the cost of living as controlled by the farmer. It will mean internationalism and true democracy. For the first time government will be for all the people.

The struggle throughout will be for equality of opportunity. This will mean not only that all shall have the opportunity for complete preparation but that no individual shall be compelled to compete against superior education or against inherited funds. The equality of opportunity advocated by the progressives considers only those who have some capital.

The argument in many places is difficult to follow because of the author's italics in the quotations and because of parenthetical references to other portions of the book. It is to be doubted, moreover, if the present struggle against large capitalism will be successful. In spite of these weaknesses, the logic is sound, the argument suggestive, the quotations and illustrations adequate and illuminating. All persons interested in modern political and social philosophy should read this study of the inherent conservatism of the progressive movement.

ALEXANDER FLEISHER.

New York City.

WHITTAKER, SIR THOMAS P. *Ownership Tenure and Taxation of Land.* Pp. xxx, 574. Price, \$3.75. New York: The Macmillan Company, 1914.

This is an elaborate canvass of the many historical and theoretical problems that are now being drawn into the political field in England by the radical tax reformers. It is apparently designed to serve as a hand book of arguments for the moderately minded speaker under necessity of meeting the charges of the radicals. So we have the case of the radicals in the words of Henry George or his English followers, and each group of arguments is accompanied by an elaborate, but not always convincing rebuttal. Some of the arguments advanced against the radical position read well at first blush, but, like the famous oration of Lysias for the fig stealer, will hardly bear a close scrutiny. It may be that the purposes of politics would be adequately served and one would scarcely feel inclined to criticize the polemic attitude if the book did not contain much of a more serious character. Portions of the study will probably prove suggestive to any serious student. There is a careful attempt to weigh the charges so frequently preferred against the present leasehold system, discussion of the mode of assessment of urban property, and of the probable results of the land taxes recommended by the extreme radicals. In this portion of the study Mr. Whittaker rises above the atmosphere of partisan controversy. The book is thus more than a mere polemic and something less than a dispassionate analysis.

It is Mr. Whittaker's purpose to destroy the case of the single taxers by showing that facts are not as alleged. Hence a long series of historical chapters with references to the leading "authorities." The effectiveness of such a method must be questionable at best: The experience of theological controversy would suggest that the historical method is not very decisive. There is usually enough of a case on both sides to leave each party a basis for further argument, and in matters pertaining to the history of land tenure in England no view can yet be regarded as settled and authoritative. Historical study does indeed breed certain convictions and an inclination towards moderate views; these convictions are clearly evident on every page of Mr. Whittaker's work. With such sincerity of conviction even opponents ought to sympathize, but they are convictions only and are founded upon faith, not upon facts. Mr. Whittaker distrusts theory. The ethical questions and matters of economic theory are poorly handled. This weakness of the book is probably the most serious from the point of view of polemics. Clever fallacies can be destroyed

only by clever reasoning, and the success of Voltaire's sarcasms against certain predecessors of the modern single-taxers should have been a significant example.

The interesting chapters in the historical portion are those upon the distribution of national income and changes in the rate of wages. Both are well considered presentations that should carry weight. In the discussion of present conditions there is a weak chapter on the leasehold system, based largely upon the vested interest argument. The chapters on parks and game preserves, upon unimproved urban land, and upon the rural housing problem are all interesting and significant. It is difficult to avoid the conclusion that these chapters would make a better impression if detached from the historical and polemical material.

The conclusions can be briefly stated. We are to distinguish between administrative needs that are general and services performed by local or state officials for the specific benefit of the occupiers of property. Resources to meet needs of the first type can be most readily secured by taxing according to ability to pay. The cost of other services should be met by those who derive the benefit, and should be levied according to the value of the property.

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WINGFIELD-STRATFORD, ESMÉ. *The History of English Patriotism*. (2 vols.) Pp. lii, 1286. Price, \$7.50. New York: John Lane Company, 1913.

This volume reviews English history from the days of the Norman invasion to the close of the nineteenth century to discover and analyze the forces that tended to strengthen and to weaken the patriotic feelings of the English people. The work is a contribution to the philosophy of history, and deals with a subject hardly less difficult than it is interesting and significant. All must recognize that it is the expansion of the patriotic feeling for the tribe into affection for the nation and loyalty to the empire that has made the British Empire possible, and that enables the British people to look forward hopefully into the future. Hence by the study of the growth and expansion of national and imperial consciousness is to be found the key to British history.

The difficulty of such a study is to exclude irrelevant facts and to confine one's attention to the events and forces that have strengthened or weakened, narrowed or broadened, the patriotic feelings of the masses of people. On the whole, the author has succeeded in excluding impertinent facts, although at times one feels that the discussion has only a remote connection with the author's thesis.

Volume one contains two "books." Book one ends with the discussion of the "Puritan ideal," while book two begins with the "restoration" and ends with "Chatham." The second volume contains book three upon "The Great War" of the French revolution and its effects upon English patriotism and ideals, and book four upon "The Modern Age" which begins with the reform bill, includes the work of Disraeli and ends with the rise of the modern democratic organization of society and government.

Of the two volumes, the second is naturally the more interesting. During the hundred years following the outbreak of the French revolution, the national

and social ideals of the British people were transformed; the British Empire as a unified force came to be. However, the work of strengthening the imperial consciousness, of enlarging national into imperial patriotism must go on, if the world-wide empire under the British flag is to be a permanent and unified force among the powers of the world. This broad fact is made patent by the author's clear survey of the forces that in the past have shaped the development of English patriotism.

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WORSFOLD, W. BASIL. *Reconstruction of the New Colonies under Lord Milner.* Pp. x, 805. Price, \$7.50. London: Kegan Paul, Trench, Trübner and Company, Ltd., 1913.

MILNER, VISCOUNT. *The Nation and the Empire.* Pp. xlvii, 515. Price, \$3.00. Boston: Houghton, Mifflin Company, 1913.

In an earlier volume Mr. Worsfold presented an account of the work of Lord Milner in South Africa from the time of his appointment as commissioner in 1897 to the peace of Vereeniging, 1902. This account is continued so as to cover the entire history of Lord Milner's public life as commissioner for the New Colonies in their reconstruction after the war. From the complete collection of official papers, from a personal diary and from newspaper reports both imperial and South African, the author records carefully and in great detail the activities of the high commissioner. Throughout the story there is an intense loyalty and an admiration for Lord Milner that give the volumes the character of memoirs prepared by a devoted private secretary rather than an effort to present an impartial view of South African affairs under the Crown Colony régime. Every effort is made to present the commissioner in the best light. All of his leading policies are vigorously defended and the reader is led to believe that Milner invariably chose the right course and did the things which would redound to the honor and glory of the British Empire and at the same time promote the best interests of South Africa. In the face of economic disaster and political opposition, both of which were not merely unprecedented in degree but unexpected in character we are assured that all affairs "were met and handled with conspicuous success."

It is comparatively easy to find statements and conclusions to which exception may be taken in a work written with such an obvious bias. Considering the plans and execution of the scheme of repatriation adopted immediately upon the close of the war, attention is called to the general efficiency of the repatriation department, which within a period of little more than eight months had restored the entire Boer population to their homes. Although an official examination made by the home office revealed the following defects: bad accounting, uneconomic buying of supplies, excessive supplies of stores and criticisms of particular transactions, nevertheless the high commissioner is entirely exonerated and the defects are attributed to the "exceptional circumstances." When Lord Milner was negotiating with the Portuguese authorities relative to the Delagoa-Johannesburg railway and was aiming "to bind the province of Mozambique by economic ties to British South Africa so com-

pletely that the control of its industrial development would lie in British hands" the author seems surprised that it was so difficult to remove the suspicion of sinister designs on the part of the British government, and appears unable to understand why the Portuguese government "assumed so hesitating and suspicious an attitude" as to result in the prospect being temporarily abandoned. Here as in similar instances the author like other imperialists appears not very particular about the method by which the rule of the empire is to be extended and fails to understand why other nations and their colonial possessions do not welcome British rule.

Making due allowance for the fact that all the evidence is marshalled in such a way as to be favorable to Lord Milner and his colonial policies the volumes may be read with much interest and profit. The author discusses Lord Milner's part in the work of repatriation, his policy for the reorganization of railway administration and the readjustment of railway rates, the relation between Transvaal and Delagoa Bay and finally the reasons for the adoption of the policy which was distinctly Milner's—the importation of Chinese labor. In each of these matters Lord Milner took a deep personal interest and through his ability to do a prodigious amount of labor actually directed personally much of the public work of the colonies. Many exceedingly difficult problems and some very delicate situations, particularly in winning back the Boers, were evidently handled with unusual tact and with discerning judgment. The two dominant ideas of Milner were the advancement of imperial interests and the preparation of the way for the administrative unity of South Africa. The high commissioner gave much attention to his so-called "fads"—land settlement, the bringing of British settlers to South Africa, afforestation, scientific study of agriculture and irrigation, and lastly the inter-colonial council. It was through the latter body that new South Africa was to be "cast deliberately in a mould from which it could take on readily the form of union." The story of Crown Colony government as directed by Milner is told in such a thorough manner that no student of colonial affairs can afford to neglect these volumes.

The Nation and the Empire by Viscount Milner contains a collection of speeches and addresses delivered at the time of his appointment as commissioner, during his stay in South Africa and on his return to England in defense of his policies and in the advancement of the one great idea—imperial federation. The meaning and significance of the term "imperial" are unfolded in an interesting introduction wherein it is possible to amplify the dominant note of the speeches. At the Navy League meeting in Johannesburg on May 29, 1904, Lord Milner defined his notion of imperialism as follows: "I am an imperialist out and out, and by imperialist I do not mean that which is commonly supposed to be indicated by the word. It is not the domination of Great Britain over other parts of the empire that is in my mind at all, when I call myself an imperialist out and out. I am an Englishman, but I am an imperialist more than I am an Englishman, and I am prepared to see the Federal Council of the empire sitting at Ottawa, sitting at Sydney, sitting in South Africa, sitting anywhere, so long as in the future we all hang together." A large part of Milner's public utterances are intended to forward imperial federation as an ideal

greater and more worthy of support than the evanescent principles of the regular parties.

This volume presents in full many addresses from which Mr. Worsfold quotes extracts. The Graaff Reinet speech which was described by the Liberals as an act of monumental folly, destined to bring the two nations at war, and many other utterances over which controversies raged in England and South Africa, are here given in full. Moreover the fate of Lord Milner's policies in the hands of the liberal ministry after the downfall of the Unionist majority is described and the defense of his South African career before the House of Lords and other public bodies is portrayed in speeches after the Liberal party had set about to undo much that was accomplished under Crown Colony government.

The time has not come to estimate the work of Lord Milner with complete fairness to all parties concerned. Many more years must pass before his attitude toward and treatment of the Boers can be impartially considered. Nor is it possible as yet to weigh with the even hand of justice the difference between the Unionist policies as formulated and carried out by Chamberlain and Milner and the Liberal opposition which called forth a condemnation of Milner's policies from no less men than Henry Campbell-Bannerman, John Morley and James Bryce, and led to a reversal of the most noteworthy decisions made by the governor. When the time comes to consider the career of Milner from the impartial viewpoint of history it will be a great advantage to have these important public utterances as well as the painstaking record furnished by an enthusiastic admirer. The volumes constitute a notable addition to the literature on the history of South Africa.

As the idea of imperial federation develops the nation will in all probability find more cause for gratification in the work of their high commissioner at the critical period in South African affairs, and they may accord even greater honor to the man who sees in the organic union of the dominions and the mother country "one of the noblest conceptions that has ever dawned upon the political imagination of mankind."

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COMPETITION VERSUS COÖPERATION IN THE STEAMSHIP BUSINESS: PROPOSED LEGISLATION

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Shippers whether by rail or by water routes require, first of all, adequate and regular services at reasonable and relatively stable rates. The primary consideration is that of service. Under present-day conditions, the rates charged, though of importance to shippers, seldom impose serious restrictions upon trade, and it is probable that commercial transactions suffer more from frequent fluctuations in charges than from unreasonably high rates.

Carriers, particularly steamship lines, require, for the successful development of their business, a dependable volume of traffic moving in a steady flow and at rates that yield returns high enough to enable the carriers readily to secure the capital needed to develop adequate and up-to-date terminals and to provide the ships and other facilities required to handle a growing tonnage of traffic. Success in the transportation business doubtless depends more upon a steady volume of traffic than upon a large tonnage if it be fluctuating in volume. The steadier the flow of traffic the more fully can facilities and floating equipment be utilized; the greater the fluctuation in tonnage, the larger the unprofitable movement of vessels partly loaded or in ballast.

The net profits obtained by carriers ought, in the interest of the public as well as in the interest of the owners of railroads and steamships, to be large enough to attract capital to the transportation business; and the conditions under which transportation services are rendered ought to be such as to cause men having capital to invest and having a desire to achieve success in business to wish to devote their money and energies to the construction and operation of railroads and to the building and running of steamships.

The extent to which competition among railroads or among steamship lines should be insisted upon by law and regulation, and the degree of coöperation among rival carriers that should be permitted by the government must, in the last analysis, be decided with

reference to the effect of competition and coöperation upon the services and rates secured by shippers and upon the present prosperity and future prospects of rail and water carriers. It was formerly thought that the public interests required the fullest possible measure of competition in the transportation business, but experience has shown that the public does not necessarily suffer, and may benefit, from some forms of coöperation among rival carriers. It is the purpose of this paper to inquire to what extent there is coöperation among rival steamship lines and to consider the regulation that should be exercised by the Government.

Competition, it should be remembered, may be in rates or in services, or in both. Rival steamship lines combine or coöperate first of all to agree upon rates, and, secondarily, to regulate their services in such a way as to secure the best use of their facilities. Experience shows that agreements among rival carriers as to rates and services do not put an end to the efforts of the several companies that are parties to the agreement to secure business. Each company is managed by energetic and ambitious men who endeavor to attract passengers and tonnage to the vessels in which they are severally interested. Competition in service continues and the coöperation of steamship lines mitigates but does not terminate the operation of the law of increasing returns. Under normal conditions, every steamship manager strives to secure additional traffic, because more passengers and more tonnage mean less cost and more profits per unit of business handled.

Whatever the theory may be as to competition or coöperation in the steamship business, the fact is that there is at the present time a very large degree of coöperation among carriers by water. This is true both in the foreign trade and in the coastwise commerce of the United States. As Professor S. S. Huebner states in the comprehensive and valuable report which he made in 1914 to the Committee on the Merchant Marine and Fisheries of the House of Representatives (p. 281):

As regards nearly every foreign trade route, practically all the established lines operating to and from American ports work in harmonious coöperation, either through written or oral agreements, conference arrangements, or gentlemen's understandings. The few instances where two or more lines serve the same route and have denied the existence of written or oral agreements for the regulation of the trade, are exceptions and not the rule.

The coöperation among the carriers engaged in the coastwise trade of the United States is not quite so complete, but Professor Huebner states (*ibid.*, 403) that "with the exception of the Pacific coast trade proper . . . the line traffic is handled by comparatively few companies and these are largely controlled by railroads and shipping consolidations." Professor Huebner further states (p. 405) that—

On the Great Lakes the through package freight from the western gateways to eastern seaports via Buffalo is controlled exclusively by six railroad-owned boat lines. . . .

Even in the Pacific coast trade (including the intercoastal trade), where independent steamship lines make a more prominent showing than in either the Atlantic coast or Great Lakes trade, railroads and shipping consolidations represent a large proportion of the total tonnage.

In the recommendations which the House Committee on the Merchant Marine and Fisheries adopted at the close of its investigation of "Steamship Agreements and Affiliations in the American Foreign and Domestic Trade," the committee summarizes the present relations of ocean carriers engaged in the American foreign trade in the following concise language (p. 415):

It is the almost universal practice for steamship lines engaging in the American foreign trade to operate, both on the in-bound and out-bound voyages, under the terms of written agreements, conference arrangements or gentlemen's understandings, which have for their principal purpose the regulation of competition through either (1) the fixing or regulation of rates, (2) the apportionment of traffic by allotting the ports of sailing, restricting the number of sailings, or limiting the volume of freight which certain lines may carry, (3) the pooling of earnings from all or a portion of the traffic, or (4) meeting the competition of non-conference lines.

It is recognized by everybody that unfair and destructive competition among carriers is not desirable. When the Interstate Trade Commission bill was before the Senate, the following amendment, introduced by Senator Cummins of Iowa, was adopted by the Senate.

"That unfair competition in commerce is hereby declared unlawful.

"The commission shall have authority to prevent such unfair competition."

The commission, after hearings, may order a person or corporation to desist from unfair practices and—

Any suit brought by any such person, partnership, or corporation to annul, suspend, or set aside, in whole or in part, any such order of the commission shall be brought against the commission in a District Court of the United States in the judicial district of the residence of the person or of the district in which the principal office or place of business is located, and the procedure set forth in the act of Congress making appropriations to supply urgent deficiencies and insufficient appropriations for the fiscal year 1913, and for other purposes relating to suits brought to suspend or set aside, in whole or in part, an order of the Interstate Commerce Commission shall apply.

This legislation indicates that the public has come to realize that some restriction should be placed upon competition that is unfair and destructive, and experience will probably show that carriers in order to keep competition within fair limits, must be allowed some measure of coöperation.

In deciding upon the degree or form of coöperation that should be allowed rival steamship companies, the advantages claimed for coöperation should be considered, and the objections to interline agreements should be kept in view. It will be well to summarize, briefly, the advantages and disadvantages resulting from the coöperation of steamship companies with each other. These advantages and disadvantages are set forth in Professor Huebner's report, above referred to (pp. 300-307).

It is contended by the carriers, and it was the opinion of Professor Huebner and the House Committee on the Merchant Marine and Fisheries, that agreements among ocean carriers as to rates and services are a "protection to both shipper and ship owner." It was represented to the committee that the coöperation of rival steamship lines gave shippers a more regular service, that regularity of service enabled merchants to build up their trade, to reach a greater number of markets, and to carry smaller stocks of goods with consequent lower storage charges. A regular, dependable service, furthermore, enables merchants to avoid engaging cargo space in advance and yet to count upon being able to deliver goods at definite future dates. By means of agreements, it was pointed out to the committee, merchants trading in the United States may have a service comparing in regularity with the service from European countries, which together have a much larger foreign trade than is handled to and from the United States. Agreements, likewise, give a better distribution of sailings by dates and ports and permit exports to be shipped from

the interior of the United States to foreign countries with the minimum detention at the seaboard.

The other advantages resulting from agreements between steamship lines, stated briefly, are the greater security given to capital invested in the steamship business, more stable, uniform and equitable rates of insurance payable by merchants, the stability of freight and passenger charges, the securing of uniform freight rates by all merchants, large and small, the maintenance of rates from the United States to foreign markets that are equal to, or fairly related to, those from other countries, the reduction in the cost of service to the carrier, and the distribution of the total cost of all the services of the lines, parties to the agreement, over the traffic as a whole in such a way as to make possible the largest development of the total trade.

Obviously, it is possible that the public may suffer by allowing ocean carriers freely to enter into agreements concerning their services and rates. Disadvantages to the public may result from the monopolistic nature of the conferences or agreements of carriers. The very purpose of the agreement is to limit competition, and monopoly is the antithesis of competition. If carriers were not restrained by economic forces or statutory law, they would doubtless establish a degree of monopoly that would be injurious to the public. Where competition is restricted by combinations of carriers, it is usually necessary for the Government to protect the public interest by intelligent regulation.

Another objection urged against conference agreements of steamship lines is that the agreements, as now made and enforced, are secret. This practice violates the well-established principle that there should be no secrecy in the business of common carriers; their relations with each other and to the public should be matters of public knowledge.

It is, moreover, the practice of some steamship companies, by permission of the conference agreements, to grant more favorable rates, on certain classes of commodities, to large shippers than are given smaller shippers. This discrimination among shippers tends to give to the more favored shippers a monopoly of trade, to the injury of the public as a whole. For the most part, it is the policy of steamship companies to grant the same rates to large and small shippers, and this is the only wise policy.

Furthermore, in the long-distance trade between the United

States and South America, Africa, Asia and Australasia, the well-known system of deferred rebates to loyal shippers prevails to a large extent in the traffic to the United States. The practice of making a rebate of 5 or 10 per cent in the freight charges, payable six months or a year subsequent to the termination of the period in which the shipments were made, but payable only to such shippers as have patronized the conference lines exclusively, ties shippers to the conference lines so closely as to prevent independent lines from entering into competition with the lines parties to the conference. The carriers consider deferred rebates necessary in certain trades. Whether they are in the interest of the public or whether they are necessary to the carriers is debatable; probably, they should be prohibited.

Certain practices of conference lines are subject to criticism and seem to show the necessity for regulation of the conference agreements and the services and practices of ocean carriers. Some of these practices will be considered in reviewing the recommendations made by the Committee on the Merchant Marine and Fisheries concerning the regulations of carriers by water. The practices considered undesirable by the committee are dealt with in the bill which the committee has introduced and which is now pending in Congress. (See appendix IV to this volume).

The views of the House Committee on the Merchant Marine and Fisheries as to the advantages of coöperation among carriers by water are entitled to great weight, and may well be quoted in this connection (p. 416):

It is claimed that . . . the prohibition of coöperative arrangements between practically all the lines in nearly all the divisions of our foreign trade would not only involve a wholesale disturbance of existing conditions in the shipping business, but would deprive American exporters and importers of the advantages claimed as resulting from agreements and conferences if honestly and fairly conducted, such as greater regularity and frequency of service, stability and uniformity of rates, economy in the cost of service, better distribution of sailings, maintenance of American and European rates to foreign markets on a parity, and equal treatment of shippers through the elimination of secret arrangements, and underhanded methods of discrimination.

These advantages, the committee believes, can be secured only by permitting the several lines in any given trade to coöperate through some form of rate and pooling arrangement under Government supervision and control. It is the view of the committee that open competition can not be assured for any

length of time by ordering existing agreements terminated. The entire history of steamship agreements shows that in ocean commerce there is no happy medium between war and peace when several lines engage in the same trade.

It seems clear that coöperation among steamship lines is desirable but that it would not be wise to give rival carriers whether on land or sea unrestricted freedom in combining to restrain competition. It is necessary for the Government to lay down the conditions under which carriers may coöperate and for the Government so to regulate the agreements of carriers with each other and with shippers and passengers as to secure, if possible, for both the carriers and the public, the advantages obtainable from the coöperation of carriers without thereby allowing the public to be oppressed by arbitrary or monopolistic action on the part of the carriers. In legislating for the regulation of ocean carriers, the fact should be kept in mind that the chief aim of the Government as well as of the carriers should be to provide shippers with services of maximum quality and quantity. No academic theories as to government restriction of monopoly and enforcement of competition, nor any general theory as to government regulation of rates and services of common carriers should interfere with the maintenance and development of transportation services.

The best thought concerning the extent to which the Government should regulate the agreements of rival ocean carriers is that presented in the recent report of the House Committee on the Merchant Marine and Fisheries. As the result of its careful investigation, the committee concluded that the agreements were desirable from the point of view of the public interest as well as from the viewpoint of the welfare of the carriers, but it also believed that it is necessary to have "some form of effective government supervision." It was the belief of the committee that "the advantages and abuses connected with steamship agreements and conferences as now conducted are inherent and can be eliminated by only effective government control," and the committee recommended the following measures for the regulation of steamship carriers engaged in the foreign trade of the United States:

1. That firms or lines engaged in the foreign trade be subject to the supervision of the Interstate Commerce Commission as regards rates and the approval of contracts with each other, with shippers and with railroads.

2. That carriers engaged in the foreign trade be required to file with the Interstate Commerce Commission, for approval, agreements with other steamship companies, or with shippers or with railroads.

3. That the Interstate Commerce Commission be given ample powers to make investigation upon complaint or upon its own motion, the commission to have power to correct unjust rates, to supervise classifications of freight and to adjust rates among classes of commodities.

4. That the granting of rebates be made illegal and that carriers be required to charge equal rates to shippers irrespective of volume of freight offered.

5. That the Interstate Commerce Commission be given the power to make investigations, upon complaint or upon its own motion, to determine whether carriers have given reasonable notices of increased rates; whether shippers have been unfairly treated as regards cargo space and other facilities; whether the carriers have made discriminating or otherwise unfair contracts with favored shippers; and to determine whether the carriers have equitably settled claims against them.

6. That carriers be prohibited from employing "fighting ships" to drive out of business companies not members of a conference. Fighting ships, it may be necessary to explain, are vessels temporarily put into service to carry freight at exceptionally low rates to and from ports served by lines outside of the conference, the losses incurred in the operating of fighting ships being borne by the lines belonging to the conference.

7. The committee further recommends the prohibition of the payment of deferred rebates to loyal shippers, both in the import and export trade of the United States.

Certain special additional recommendations, applicable to carriers by water engaged in the domestic trade, were made by the committee. The more important of these recommendations are the following: That the Interstate Commerce Commission be given complete jurisdiction over interstate port-to-port traffic of coastwise carriers, with power to fix maximum rates; that railroads be prohibited from making a through rail-and-water route prohibitive as compared to an all-rail route by charging "more for the same service on water-borne commodities than they charge for the proportionate share of the rail haul;" that the Interstate Commerce Commission

be given power to allow carriers by water to charge differentials enough lower than competing rail rates to enable the carriers by water to secure a fair share of the traffic; that railroads and carriers by water be required to issue through bills of lading over lines of interstate carriers by water; that railroads be required to allow carriers by water to use the railroad terminal facilities under like, fair conditions; and that the railroads be prohibited, in the future, from securing control of canals or companies engaged in transportation by canals.

Since the Committee on the Merchant Marine and Fisheries completed its report and formulated the above recommendations, Hon. J. W. Alexander, Chairman of the Committee, with the assistance of Professor S. S. Huebner, has drafted a bill for the regulation of carriers by water, which bill is now pending in Congress. A copy of the proposed legislation is printed as an appendix IV to this volume. Inasmuch as the primary purpose of the bill is to regulate the agreements and the practices of steamship conferences which are formed to regulate competition in the business of transportation by water, it will be appropriate to devote the remainder of this paper to a consideration of the principal features of the bill that has been presented to Congress.

After defining, in the first section of the bill, the term "common carrier by water" and drawing the necessary distinction between such carriers "in interstate commerce" and "in foreign commerce," the bill, in section two, prohibits the granting of deferred rebates, the operation of fighting ships, and retaliatory action by carriers against shippers for patronizing non-conference lines. These provisions reach the chief abuses of the steamship conferences. Unquestionably, fighting ships ought to be prohibited; by their use unfair competition is waged against independent carriers. The use of fighting ships to destroy competitors is analogous to the practice of local price cutting by trusts to drive small competitors out of business. It is also desirable to prohibit the granting of deferred rebates to loyal shippers, although it must be recognized that such rebates may not be without advantage to shippers as well as to carriers. It is believed, however, that the advantages of deferred rebates are more than offset by the fact that such rebates secure to the carriers, that are members of a conference, a monopoly that may be dangerous to the public interest. Probably, deferred rebate agreements are

a violation of the anti-trust law and could not be lawfully entered into by carriers subject to that act.

Section three of the bill provides that conference agreements must be filed with the Interstate Commerce Commission, which is given power to modify or disapprove them. It is necessary that the commission, acting for the Government, should be informed of all agreements and arrangements entered into by steamship lines, members of conferences; although, in a sense, the bill, by giving the Interstate Commerce Commission the power to disapprove or modify these agreements, makes the Government a party to the arrangements entered into by competing carriers. As drafted, the bill apparently assumes that the agreements among carriers may become binding upon the parties to the contracts, as soon as they are executed, although the bill stipulates that "such agreements, understandings, conferences and arrangements shall be approved or disapproved by the Interstate Commerce Commission."

If it is intended that the Interstate Commerce Commission shall formally approve or disapprove the conference agreements, such agreements ought not to become effective until the commission has had reasonable time to consider them and pass upon them. It would seem that the law ought to require the agreement to be filed with the commission at least thirty days before becoming effective. It probably would not be wise to give the Interstate Commerce Commission power to suspend the effective date of such agreements in the manner that it can suspend proposed increases in railroad rates. It will doubtless be best to allow the agreements to become effective without action by the commission thirty days after filing, the commission having power at any time, after hearing initiated upon complaint or upon its own motion, to order the modification or termination of any agreements.

By section four of the bill as drafted,

Every traffic or rate association or conference of which any common carrier by water in interstate commerce may be a member . . . is placed under the jurisdiction of the Interstate Commerce Commission as regards the approval of all matters pertaining to rates, traffic arrangements between carriers, and other conditions of water transportation.

This action, taken with other portions of the act, confers upon the commission clearly the power to approve or disapprove of the rates

named in conference agreements entered into by carriers by water in interstate commerce. Indeed, by section seven, the commission is given power "to determine, prescribe and order enforced just and reasonable rates" of carriers by water in interstate commerce.

One of the abuses of steamship conferences has been the refusal of the members of an existing conference to admit new members to the association. To meet this situation, section four of the proposed act makes it unlawful for a conference to deny membership "to any carrier because the consent of all or any number of the existing members of such association or conference can not be obtained to favor the admission of said carrier." The commission is given power to prescribe the conditions under which outside lines may become members of existing conferences.

The provisions of section five of the bill write into the proposed act sections two and three of the interstate commerce act which prohibit special rates and rebates and unreasonable discriminations as between persons, places and kinds of traffic. By these provisions, the proposed act will establish new standards of conduct to be observed by carriers by water. It is recognized by those who drafted the bill, and will, in time, come to be recognized by everybody, that secret rates, rebates and unfair discrimination when granted by carriers by water are as contrary to public policy as when given by railroad companies. If the proposed bill becomes a law and is wisely administered, it will mark a long step forward in providing equal opportunity to all shippers and producers, large and small, as regards the services of common carriers by lake and sea as well as by rail.

Sections six, seven and eight of the proposed measure give the Interstate Commerce Commission revisory power over the rates charged by carriers by water. Section six applies to carriers in foreign commerce and sections seven and eight to carriers in interstate commerce. The bill, in section seven, requires carriers by water in interstate commerce to file and keep open to public inspection local and joint rates and fares, and provides that no increase may be made in such charges except upon ten days' notice to the commission, which body is given the power, either upon complaint or upon its own motion, to prescribe maximum rates and fares, and to determine what differentials may be established between the charges of competing rail and water carriers in interstate commerce. By these provisions, the Interstate Commerce Commission

is given, with two exceptions, the power over the rates of interstate carriers by water that it has over the charges of railroads. The two exceptions are, that interstate carriers by water may reduce rates without giving the commission advance notice, and that the commission has no power to suspend the rates filed by interstate carriers by water.

Common carriers by water in foreign commerce are subjected to less complete regulation than are interstate carriers by water. Section six gives the commission authority to prescribe the maximum rates that may be charged by common carriers by water in foreign commerce, but such carriers are not required to print and file their rates, nor is it made necessary for them to give the commission advance notice of an increase in rates. Section six, however, should be read in connection with section thirteen of the proposed act, which provides that the Interstate Commerce Commission may, at its discretion, require any common carrier by water in foreign commerce

to file with it any periodical or special report, or any account, record, rate, or charge, or any memorandum of any facts and transactions appertaining to the carrier's business, concerning any matter about which the commission is authorized or required by this act to inquire or keep itself informed or which it is required to enforce, or to require from any such carrier specific answers to all questions upon which the Commission may need information in carrying out this act.

Section thirteen probably gives the commission power to require the printing and filing of the tariffs of carriers by water in foreign commerce, and it is suggested that it would be better to change the phraseology of section six of the bill so as to confer, by that section, upon the commission whatever powers it is intended that the act shall give the commission as regards the printing and filing of the rates of carriers in foreign commerce.

There can hardly be any doubt that the printing and filing of the rates is a necessary prerequisite to any intelligent and effective regulation of rates by the commission. In my judgment, it is desirable to require common carriers in foreign commerce to give the commission ten days' notice of increases in rates, with the proviso that the commission, in its discretion, may, upon application, permit certain classes of carriers, without giving the commission advanced notice, to quote higher rates than those on file with the commission.

The possession of such discretion by the commission would probably enable it to prescribe different regulations or requirements for companies and vessels engaged in "line" and "tramp" services.

It is provided by section eight of the bill that—

Whenever a common carrier by water in interstate commerce reduces its rates . . . below a fair and remunerative basis with the intent of driving out or otherwise injuring a competitive carrier by water, it shall not be permitted to increase such rates unless after hearing by the Interstate Commerce Commission it shall be found that such proposed increase rests upon changed conditions other than the elimination of said competition.

The commission is given power to determine whether the rates in question were actually reduced below a remunerative basis with the intent of driving the competitor out of business. This provision which is taken, with modification, from the interstate commerce act will doubtless do much to prevent carriers by water from starting upon a destructive warfare for the purpose of eliminating competition. The effect, however, will probably be to cause practically all carriers to enter into conference agreements. If competitors can not in the future be driven from the field by warfare, they will need to be made harmless. Steamship companies will seek to become friendly neighbors by means of mutual understandings. This is as it should be, provided the understandings and agreements of the friendly neighbors are known to, and regulated by, the Government.

The remaining sections, nine to twenty-two, of the proposed act, with the exception of sections eleven, thirteen, fourteen and twenty-one, do not call for special discussion in this paper. Section nine wisely prohibits carriers, subject to the act, from disclosing other than to shipper or consignee—

any information concerning the nature, kind, quantity, destination, consignee, or routing of any property tendered or delivered to such common carrier for interstate transportation, or for transportation between the United States and a foreign country, which information may be used to the detriment or prejudice of such shipper or consignee, or which may improperly disclose his business transactions to a competitor, or which may be used to the detriment or prejudice of any carrier.

Section ten gives the Interstate Commerce Commission power to adopt such rules and regulations as may be necessary to prevent

unfair treatment of shippers in the matter of cargo space accommodations or other facilities, having due regard for the proper loading of the vessel and the

available tonnage, or unfair or discriminating contracts with shippers based on the volume of freight offered, or unfair treatment in the loading and landing of freight in proper condition, or unfair treatment in the adjustment and settlement of claims.

Section eleven is intended to reach and prevent the objectionable practice on the part of railroad companies of charging on traffic received by railroad from connecting carriers by water a higher rate for the rail portion of the through, joint service than the railroads charge for a corresponding rail haul on traffic that is handled by an all-rail route from shipper to consignee. To illustrate: the railroads charge on ex-lake grain a rate from the lakes to the seaboard higher than the proportionate share of an all-rail rate from the middle West to the seaboard. Section eleven reads as follows:

That when property may be or is transported by rail and water from point to point in the United States, and not entirely within the limits of a single State, it shall be unlawful for any railroad company or companies to discriminate against such rail-and-water route, as compared with the all-rail route between the same points, by charging more for the same transportation service, having due regard for reasonable extra terminal charges and other expenses involved, on water-borne commodities and articles moving between said points, than they charge on the same kind of commodities and articles for the proportionate share of the all-rail haul. The Interstate Commerce Commission is hereby empowered upon complaint, or on its own initiative and after full hearing, to determine questions of facts as to the violation of the provisions of this section by any railroad company, and to order any such violation discontinued.

Section twelve prohibits railroads and other common carriers from acquiring control of any canal, or any common carrier operating as a canal, when the waterway is used in interstate commerce, unless the acquisition of such control is permitted by the Interstate Commerce Commission "as being in the public interest and of advantage to the convenience and commerce of the people." This will give the Interstate Commerce Commission the power to determine the extent to which it is necessary or desirable to permit the common ownership and operation of railroads and inland waterways.

As was pointed out above, section thirteen gives the Interstate Commerce Commission the power, at its discretion, to require common carriers by water in foreign commerce to make reports and to file rates. It is wise to give the Interstate Commerce Commission

this discretionary power. Experience with the administration of the act will indicate to the commission how far it will be practicable and wise to go in requiring reports of carriers by water in the foreign trade. In my judgment, it will be found practicable, eventually, to make nearly the same requirements of carriers in the foreign trade as are made of carriers in the coastwise trade, and it is wise to give the commission discretionary power in prescribing rules to be followed by carriers employed in international trade.

It is equally wise, as is provided by section fourteen of the bill, to apply section twenty of the interstate commerce act of 1887, as amended to date, to "common carriers by water in interstate commerce, as far as the same may be applicable to said carriers." This will enable the Interstate Commerce Commission to require comprehensive annual reports, to prescribe a uniform system of accounts, and to employ agents who shall have authority to examine all accounts and records kept by the carriers by water in interstate commerce.

Sections fifteen, sixteen, seventeen, eighteen and nineteen provide appropriate penalties for violation of the act, and prescribe the procedure for enforcement of the law. While of great importance, these sections do not require discussion in this paper, which has to do with the economic provisions of the proposed law. Section twenty authorizes the commission "to employ such experts and other assistants as may be necessary, and to appoint special agents or examiners who shall have powers to administer oaths, examine witnesses and take testimony." Section twenty-two merely provides that the act shall take effect upon its passage.

The enforcement of the act is placed, by section twenty-one, with the Interstate Commerce Commission, which is to be enlarged from seven to eleven members, not more than six of whom shall be adherents of the same political party. This provision of the bill is sure to meet with at least two general criticisms,—that the Interstate Commerce Commission is now overburdened and unable to keep abreast of its work, and that it will be predisposed to apply to carriers by water the same kind and degree of regulation that it has applied to railroads, and thus subject the business of transportation by water to rules that will be too detailed and too rigid. Those who urge these criticisms will argue for the establishment of a new, autonomous commission charged solely with the duty of regulating carriers by water.

It is true that the Interstate Commerce Commission is at present over-worked, but the addition of four new members ought to enable the commission not only to perform its new duties satisfactorily, but also to expedite its work of regulating railroads. The combined task of regulating the rail and water carriers can doubtless be performed by eleven men more easily than seven men can handle the present work of the Interstate Commerce Commission.

The fear that the Interstate Commerce Commission will go further and faster than would a separate commission with the regulation of carriers by water is probably not well founded. The long experience which the Interstate Commerce Commission has had in the regulation of railroads, and to some extent in supervising carriers by water, may, indeed, make it more cautious than an entirely new administrative body would be. The Interstate Commerce Commission would certainly approach the task of regulating carriers by water more intelligently than would a new commission, and it would probably make fewer mistakes.

A strong argument against the establishment of a separate commission for the regulation of carriers by water is that if there were two commissions, there might be conflict of jurisdiction, lack of uniformity in regulation and in decisions that would both lessen the effectiveness of regulation and be of disadvantage to shippers and carriers. It will be better to increase the membership of the Interstate Commerce Commission, to provide it generously with facilities for doing its enlarged work, and to entrust it with the task of regulating carriers by water as well as by land.

EXTENT OF REGULATION OF OCEAN AND INLAND WATER TRANSPORTATION BY THE FEDERAL GOVERNMENT

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In the past the federal regulation of transportation agencies has been concerned much more largely with railroads than with other common carriers. Gradually, however, as it became evident that the need for such regulation is not peculiar to railroads, the scope of the interstate commerce law was extended so as to include express, sleeping car and private car companies, fast freight lines, industrial railroads, refrigeration and ventilation services, terminal facilities, elevators, transfer and delivery services, and all transportation agencies operated in connection with the interstate shipment of freight or passengers by rail. The interstate business of pipe lines, electric street railways, and telephone, telegraph and cable lines were likewise placed within the scope of the interstate commerce act, and, as will be hereafter described, water transportation agencies were under certain conditions subjected to the provisions of the statute. So limited, however, is the control of the Interstate Commerce Commission over water carriers that the enactment of additional legislation applicable to their charges and public services is now being seriously considered.

The relations between carriers by water and between such carriers and railways has also become a matter of public interest. The Sherman act of 1890 and the anti-trust provisions of the tariff act of 1894 are generally applicable to all combinations, conferences or agreements which unreasonably restrain interstate or foreign trade, and the Panama Canal act of 1912 regulates certain phases of such relations, but the need of federal legislation particularly applicable to steamship combinations, conferences or agreements is a topic of serious consideration.

Existing federal regulation of ocean and inland water transportation may conveniently be classified into (1) navigation laws

concerning the public safety, registry and enrollment, treatment of crews and a multitude of matters not directly connected with transportation charges and services; (2) statutes regulating the charges and public services of water transportation agencies; and (3) statutes regulating or prohibiting combinations, conferences or agreements.

GENERAL NAVIGATION LAWS

Since it is with the type of regulation included in (2) and (3) above that this volume is especially concerned, it is not the purpose of this paper to present a detailed analysis of the many navigation laws which Congress has from time to time enacted. Brief mention of the principal groups of statutes will, however, serve to emphasize the line of demarcation which Congress has in the past drawn between water and rail transportation. Both rail and water carriers have been the subject of much legislation, but for the most part, although not entirely, in separate statutes and with different objects in view. The principal federal laws regulating the railroads are those concerning their charges and public services, while the principal laws concerning water transportation are the various general navigation statutes. The public safety has been regulated in the case of both rail and water transportation, but the conditions of operation have differed so widely that separate statutes were enacted. Mention of some of the many navigation laws which are now in effect will also serve to emphasize that, in matters other than charges and public services, water transportation is regulated by a multitude of federal statutes.

Navigation Statutes.—An important group of navigation laws are those which require American vessels, excepting harbor craft and vessels not propelled by sails or internal motive power of their own, to be *registered, enrolled or licensed*. Vessels so documented with the United States Commissioner of Navigation are identified by an official name and number permanently carved or marked on the vessel as required by law, and each registered vessel in addition has her draught officially marked on the stem and stern post. These statutes, moreover, specify what vessels may and may not be documented. Since 1817 foreign built vessels have been barred from the American coastwise business, and it is therefore important for vessels equipped with

sails or engines to be properly enrolled or licensed. Until 1912, likewise, foreign built vessels were barred from American registry. On August 24 of that year free shipping was applied in the foreign trade to the extent that foreign vessels not over five years of age and wholly owned by citizens of the United States or by domestic corporations, the president and managing directors of which are American citizens, were permitted to register under the American flag. When so registered, foreign built vessels are subject to all the navigation laws applicable to American vessels engaged in the foreign trade, and to all the privileges of American registry, except that of engaging in coastwise navigation.

Similar to the laws providing for the documenting of vessels, are those requiring the *measurement of documented vessels*. Every registered, enrolled, or licensed vessel of the United States must be measured in accordance with the official rules enacted by Congress and enforced by the Commissioner of Navigation. Each documented vessel is required to carry a measurement certificate showing her official length, breadth and depth, her gross and net tonnage, and other particulars descriptive of her identity. Foreign vessels entering American ports are, likewise, required to be so measured unless the measurement laws of their home country are accepted by the Secretary of Commerce as being substantially the same as those of the United States. The requirements regarding measurement are particularly important because the tonnage taxes of the United States and other countries as well as numerous private commercial charges are based upon the net register tonnage of vessels. All vessels navigating the Panama Canal, moreover, are required to be measured in accordance with the measurement rules promulgated by the President of United States on November 21, 1913, and all tolls collected at the Panama Canal are based upon their net tonnage so ascertained.

The *tonnage tax laws* constitute another group of navigation statutes. As amended on August 5, 1909, every vessel, American and foreign, entering from any foreign port in North or Central America, the West Indies, the Bahamas, the Bermudas, or Carribean coast of South America is required to pay 2 cents per net register ton not exceeding a total of 10 cents per ton annually, and every vessel entering from any other foreign port is required to pay a tonnage tax of 6 cents per net ton not exceeding 30 cents per

ton annually. By an act of March 8, 1910, those entering otherwise than by sea from a foreign port at which no tonnage taxes, light house dues or other equivalent taxes are imposed on American vessels, are exempt from tonnage taxes at American ports; and all vessels engaged in coastwise or inland navigation have for many years been similarly exempted. Numerous statutes contain provisions for retaliation in case discriminating taxes are levied on American vessels or wares by any foreign country, and in accordance with the acts of 1815 and 1828, treaties providing for shipping reciprocity have been negotiated with a large number of foreign countries. The United States has since 1828 consistently adhered to the policy of shipping reciprocity alike for vessels and their cargoes, until the enactment of the tariff law of October 3, 1913, which provides "that a discount of 5 per cent on all duties imposed by this act shall be allowed on such goods, wares, and merchandise as shall be imported in vessels admitted to registration within the laws of the United States: *Provided*, that nothing in this subsection shall be so construed as to abrogate or in any manner impair or affect the provisions of any treaty concluded between the United States and any foreign nation." This clause, which applies only to countries with which the United States does not have shipping reciprocity treaties, is a step in the direction of the policy of shipping protection which prevailed during the years 1789 to 1815.

Many navigation laws regarding the *treatment of crews* on American vessels have been enacted by Congress. There are statutes concerning the payment of wages, the attachment of wages and clothing, the punishment for disobedience and mutiny, the keeping of a log book, the shipping of crews before shipping commissioners and consuls, the signing of shipping agreements, the scale of provisions, the depositing of a crew list, the minimum space per man assigned as crew's quarters, the heating, ventilation, etc., of crew's space, and the use of force, misrepresentations and other illegal methods in the shipping of crews. There are statutes which regulate the return of seamen who have deserted from American vessels in American ports, and numerous treaties which regulate desertion from American vessels in foreign countries and from foreign vessels in the United States. Several bills concerning the treatment of seamen on American vessels and the practice in case of desertion are now being considered by Congress.

Various navigation laws regulate the *manning of American vessels*. There are statutes requiring the licensing of officers, and establishing the method of obtaining a license; some requiring the master and all watch officers, including pilots, to be citizens of the United States; and others providing that the employment of licensed officers and crew of American vessels subject to the inspection laws of the United States shall be determined by local inspection officials. Various bills now before Congress would materially alter the requirements regarding the manning of American vessels if the bills were enacted into law.

Many statutes regulate the *seaworthiness and inspection* of vessels. There are detailed provisions relating to the inspection of American steamers and also other American vessels carrying passengers, their equipment with life saving appliances, permanent stairways, wire tiller ropes and fire fighting appliances, and the carriage of inflammable or explosive cargoes. Some of the requirements regarding inspection apply also to foreign passenger steamers unless the inspection laws of their home country approximate those of the United States. Severe penalties are provided for knowingly sending out unseaworthy vessels.

There are statutes which further promote the public safety by establishing rules for the *prevention of collisions*, and legally applying the *international rules of the road* to American sea-going vessels. Indeed the general rules of ocean navigation are established by international treaty as well as by statute. Conventions embodying revised rules to govern ocean navigation, wireless telegraphy, safe construction of sea-going vessels and other matters concerning safety of life at sea are now pending in the Senate of the United States and before the governments of the several foreign countries whose representatives recently (November 12, 1913-Jan. 20, 1914) met in international conference. In 1910 and 1912 Congress enacted important laws prohibiting American as well as foreign passenger vessels carrying more than fifty persons from leaving an American port without being fitted with the required *wireless telegraph apparatus* and the required number of operators, and subjecting the use of radio communication on land as well as on sea to a code of much needed regulations. The United States is likewise party to an international convention of 1912 regarding the use of wireless telegraphy.

Other important federal navigation laws which in various ways regulate water transportation are those regulating the *entry and*

clearance of vessels, the *boarding and search* of vessels by properly authorized government officials, the *entry of imported merchandise*, the *documents* which must be carried and presented, *quarantine and bills of health*, the inspection, entry and deportation of *immigrants*, the *ocean mail service* under the mail contract act of 1891, the traffic in *special cargoes* such as livestock, adulterated products and opium, the establishment of *anchorage grounds*, the placing of *obstructions to navigation*, the *trial and punishment of crimes* committed upon the high seas or waters within the jurisdiction of the United States or of any particular state, the punishment of *piracy*, the *liability* of owners, masters and shippers, the duty of rendering *assistance to vessels* in distress and the right to remuneration for *salvage services*.

Regulation by Executive Departments.—Many of the executive departments and bureaus of the government are concerned with the regulation of shipping. In the Department of Commerce are the bureau of navigation which is entrusted with the documenting of American vessels and the general enforcement of the navigation laws; the shipping commissioners appointed at the various ports of entry to supervise the shipping and discharge of seamen on American vessels; the bureau of corporations which has investigated and reported on "Transportation by Water;" and the steamboat-inspection service. In the Treasury Department are the customs service which has charge of the entry and clearance of vessels, the collection of duties and tonnage taxes, the survey and inspection of cargoes, the measurement of vessels, and the bonding of imported wares; the revenue cutter service which coöperates with the customs service in the boarding of vessels, the collection and security of revenue and the enforcement of the customs regulations; the Alaska seal agents who supervise the Alaskan seal fisheries; and the public health and marine hospital service. The Department of State negotiates treaties of commerce and navigation, and contains the consular service which serves as well as regulates American vessels and their crews in foreign ports. In the Department of Labor is the bureau of immigration which is in charge of the entry or rejection of immigrants and the administration of the immigration laws, and which supervises the arrangements which the rail and ocean carriers have made for the through transportation of immigrants to interior destinations. The Department of Agriculture regulates and

supervises the exportation and importation of livestock, meats, dairy products, and jointly with the Treasury Department applies the laws prohibiting the importation and exportation of adulterated or misbranded foods or drugs. The War Department establishes harbor lines beyond which no piers, wharves or bulkheads may be extended, and administers the laws prohibiting the obstruction of navigation. Officers of the Navy Department are assigned to numerous ports of entry to cooperate with the port collectors, and the commanding officer of a fleet may act as consul on the high seas and at foreign ports where there is no resident consul. The Navy Department likewise inspects vessels of the first three classes operating under the mail contract act of 1891, and jointly with the War Department is entrusted with the enforcement of the laws and treaties of neutrality. The Post Office Department regulates the ocean mail service, and the Department of Justice is concerned with the enforcement of laws applicable to water transportation. There are various additional executive bureaus which primarily aid rather than regulate navigation.

Regulation by Other Federal Authorities.—In addition to the executive departments of the government there are the federal courts before which those who violate the navigation laws may be brought for trial, and which interpret these laws. As will be seen later, the Interstate Commerce Commission has jurisdiction over water transportation under certain conditions. The United States Congress of course enacts the federal statutes which regulate water transportation, ratifies treaties which directly or indirectly affect ocean carriers, and through its committees holds hearings and conducts investigations.

FEDERAL REGULATION OF CHARGES AND PUBLIC SERVICE

While the charges and public services of carriers engaged in water transportation have not been subjected to federal control to the extent that those of the railroads have been, such regulation is not entirely lacking. Some of the general navigation laws mentioned above directly or indirectly regulate certain phases of the public service of water carriers, particularly those concerning the inspection of steamers, the seaworthiness of vessels, quarantine and bills of health, the carriage of livestock, dairy products, adulterated products, inflammable articles and explosives, and those requiring

vessels to be fitted with prescribed life saving devices. These statutes however are primarily concerned with the public safety, health and similar matters, which resemble more the railway safety appliance acts than the kinds of control exercised over railways through the interstate commerce act.

The Passenger Act of 1882 as Amended.—One phase of the public service of ocean carriers which has been subjected to federal control is their steerage passenger traffic. The so-called "passenger act of 1882" as amended to date regulates the maximum number of steerage passengers which may be carried and tends to safeguard reasonable accommodations by prescribing the minimum space per passenger which may not be exceeded on the various steerage decks. It regulates light and air, provisions, medical attention, discipline and cleanliness, the privacy of passengers, the carriage of explosives and cattle on vessels carrying steerage passengers, the carriage of cargo or stores on steerage decks, the keeping of a passenger list, and the payment of fees to the collector of customs in case of the death of steerage passengers. It also provides for an inspection, under the direction of the United States customs collectors of all vessels carrying steerage passengers, with a view to administering effectively the provisions of the passenger act.

The Immigration Laws.—The steerage passenger traffic of ocean carriers is further regulated by those provisions of the immigration laws which prohibit the handling of the excluded classes of immigrants, the illegal landing of any alien passengers, and the illegal solicitation or encouragement of the immigration of aliens into the United States. The immigration laws also contain provisions requiring ocean carriers to deport all aliens brought to the United States in violation of the law, and requiring them to pay a head tax of four dollars for every alien, with certain exemptions, brought to the United States by them. As was stated above, the immigrant service supervises the arrangements which the ocean and rail carriers have made at New York for the through transportation of immigrants to interior destinations.

The Interstate Commerce Act as Amended.—The principal federal statute regulating the charges and public services of water

carriers is the interstate commerce act as amended. This act, however, which is so highly important in the control of rail and other forms of interstate land transportation, applies to interstate water transportation only under certain conditions and only in certain respects. Water carriers were brought within the scope of the act in 1906 when section 1 was amended so as to include "any common carrier or carriers engaged in the transportation of passengers or property wholly by railroad (or wholly by railroad and partly by water when both are used under a common control, management or arrangement for a continuous carriage or shipment) from one state or territory of the United States or the District of Columbia to any other state, etc." Section 6 and 15 define the powers of the commission over such rail-water traffic, but this provision of section 1 is of fundamental importance.

In interpreting this section the Interstate Commerce Commission has ruled that it applies only to such water shipments as are made partly by railroad and partly by water when both are under a common control, management, or arrangement for a continuous carriage or shipment and that it *does not apply to the port-to-port business of water carriers*. The commission has expressly ruled in opinion No. 787 (in the matter of jurisdiction over water carriers, 15 I. C. C. Reps. 208-211, Jan. 7, 1909) as follows:

The language of the provision in question indicates its meaning. The Act applies to any common carrier or carriers engaged in transportation partly by rail and partly by water *when* both are used under a common control, management or arrangement for a continuous carriage or shipment. The use of the word "when" is significant and its natural meaning seems to be that a water carrier is subject to the act "in so far as" or "to such extent as" it carries traffic under a common control, management or arrangement with a railroad. It need hardly be stated that the Act does not require publication of or adherence to rates upon purely intrastate traffic. With regard then to the history and purpose of the enactment, the language used, and the rules of statutory construction which have been mentioned, it is difficult to see how serious doubt can arise that Congress did not intend to regulate the charges exacted upon the port-to-port business of water carriers. . . . It seems clear that the port-to-port business of water carriers is not within the purview of the statute. This construction gives workable effect to every provision of the act and is in harmony with its remedial purposes. It controls the all-rail and the part-rail and part-water transportation which is the subject of "common arrangement" and leaves all other water carriage open to free competition. Upon further consideration we are constrained to adopt

the view that water carriers are subject to the law only as to such traffic as is transported under a common control, management or arrangement with a rail carrier and that as to traffic not so transported they are exempt from its provisions.

This interpretation was strengthened in 1910 when it was stated in section 15 that "the commission shall not have the right to establish any route, classification, rate, fare, or charge when the transportation is wholly by water, and any transportation by water affected by this act shall be subject to the laws and regulations applicable to transportation by water."

There is no all inclusive general definition of what relations or practices constitute or are evidence of common control, management or arrangement, i.e., what constitutes through rail-water transportation, but numerous decisions have been rendered by the commission and the courts in particular instances when a through bill of lading has been issued, when a contract or understanding of any kind involving through transportation has been made, when joint rates are quoted, or when rate divisions are agreed upon by the rail and water carriers. The application of the interstate commerce act to domestic shipments by rail and water under such conditions is clear. But it has repeatedly been ruled by the United States Supreme Court in recent decisions that the application of the interstate commerce act is not dependent upon the issue of a through bill of lading or other specific evidence of that kind. The Supreme Court has ruled that it is the character of the service and not the manner of billing which determines whether commerce is intrastate or interstate, local or through, and whether it is conducted by rail or partly by rail and partly by water under a through arrangement. Some of the cases applicable are: *Southern Pacific Terminal Company vs. I. C. C.*, 219 U. S. 498, Feb. 20, 1911; *Railroad Commission of Ohio vs. Worthington*, 225 U. S. 101, May 27, 1912; *U. S. vs. Union Stock Yards Co.*, 226 U. S. 286, 1912; *Texas and New Orleans Railroad Co. vs. Sabine Tram Co.*, 227 U. S. 111, Jan. 27, 1913; and *Louisiana Railroad Commission vs. Texas and Pacific Railway Co.*, 229 U. S. 336, June 10, 1913.

Commission's Power over Accounts and Statistics.—While the commission has no power to regulate the port-to-port business of water carriers it has been ruled by the commission and the

Supreme Court that one section of the act to regulate commerce applies not only to the interstate business of water carriers which they handle in connection with railroads, but to their entire business. The section referred to is section 20 which empowers the commission to prescribe *uniform systems of accounts and call for statistical reports*. The Supreme Court has ruled that whenever the water carrier becomes subject to the interstate commerce act as regards a portion of its business the commission may prescribe the methods of keeping the accounts of the company's entire business, and may require statistical reports covering its entire operations. The court expressly ruled that in so doing the commission is not regulating the port-to-port business of water carriers, but is taking the necessary steps properly to regulate that portion of their interstate business which is handled in connection with railroads. In the words of Justice Day in *Goodrich Transit Co. vs. Interstate Commerce Commission*, 224 U. S. 194, April 1, 1912:

If the Commission is to successfully perform its duties in respect to reasonable rates, undue discrimination and favoritism, it must be informed as to the business of the carriers by a system of accounting which will not permit the possible concealment of forbidden practices in accounts which it is not permitted to see, and concerning which it can require no information. . . . The object of requiring such accounts to be kept in a uniform way and to be open to the inspection of the Commission is not to enable it to regulate the affairs of the corporations not within its jurisdiction, but to be informed concerning the business methods of corporations subject to the Act that it may properly regulate such matters as are really within its jurisdiction . . . Carriers partly by land and partly by water may be required to keep accounts of all their traffic both interstate and intrastate under the provisions of Section 21.

Commission's Power to Establish Through Routes and Joint Rates.—The interstate commerce act confers upon the commission the power to *establish through routes and joint rates* in the case of interstate shipments made partly by rail and partly by water. Prior to the amendment of 1910 it could exercise this important power only if the carriers failed voluntarily to establish any through routes whatever between two points which warranted such action. Since but one through route voluntarily established by the carriers satisfied the requirements of the law, the commission's jurisdiction over water transportation was greatly restricted. The Mann-Elkins amendment of 1910, however, remedied this defect somewhat by stating that:

The Commission may also, after hearing, on a complaint or on its own initiative without complaint, establish through routes and joint classifications, and may establish joint rates as the maximum to be charged and may prescribe the division of such rates as hereinbefore provided and the terms and conditions under which such through route shall be operated, whenever the carriers themselves shall have refused or neglected to establish voluntarily such through routes or joint classification or joint rates; and this provision shall apply when one of the connecting carriers is a water line.

This amendment gives the commission the power to establish additional through routes even though one has been voluntarily established by the carriers. In *Flour City Steamship Co. et al. vs. Lehigh Valley R. R. Co. et al.*, 24 I. C. C. Reps. 179, June 4, 1912, the commission held that:

Prior to 1910 our power to establish through routes was limited to instances in which no satisfactory through route existed. The elimination of this limitation placed within the discretion of this Commission the establishment of additional through routes. In the exercise of this discretion the existence of through routes capable of adequately and expeditiously handling all traffic offered is entitled to much consideration, but no longer constitutes a barrier to another through route. The lower charge proposed to be made by the new route we leave for consideration when we come to fix the joint rate. All we here hold is that it is within the power of this Commission to establish an additional route in connection with the complainant steamship company, provided that company is such a common carrier as is contemplated by the law.

This view concerning the commission's power to establish additional through routes was supported by the United States Commerce Court in *Crane Iron Works vs. United States* (I. C. C. et al. Interveners) 209 Fed. Rep. 238, June 7, 1912. The court held that, subject to the conditions imposed in the act, the establishment of additional routes and the prescribing of joint rates are discretionary with the commission.

There are, moreover, various instances since the amendment of 1910 was adopted in which the commission established through rail and water routes to given points because the carriers had voluntarily established such routes to certain other competitive points. It was held that failure to treat competitive points and shippers alike in this matter constituted undue discrimination. Similarly, it has held it to be an undue discrimination for a railroad to establish through

connections with one water carrier and refuse to do so with others operating under similar conditions. In *United States vs. Pacific and Arctic Ry. and Navigation Co. et al.*, 228 U. S., 87, April 7, 1913, the Supreme Court pointed out that the establishment of through connections with some water carriers and the refusal to do so with others may result in a monopoly or combination in unreasonable restraint of trade and be illegal under the Sherman anti-trust law.

The power of the Interstate Commerce Commission to establish additional through routes is not, however, dependent solely upon the amendment of 1910, for section 11 of the Panama Canal act of 1912, amended section 6 of the interstate commerce law which deals with the issue, filing and publication of through rates including rates over rail and water routes, by adding the following provisions:

When property may be or is transported from point to point in the United States by rail and water through the Panama Canal or otherwise, the transportation being by a common carrier or carriers and not entirely within the limits of a single state, the Interstate Commerce Commission shall have jurisdiction of such transportation and of the carriers both by rail and by water which may or do engage in the same in the following particulars, in addition to the jurisdiction given by the Act to regulate commerce as amended June 18, 1910:

(b) To establish through routes and maximum joint rates between and over such rail and water lines and to determine all the terms and conditions under which such lines shall be operated in the handling of the traffic embraced.

(c) To establish maximum proportional rates by rail to and from ports to which the traffic is brought, or from which it is taken by the water carrier, and to determine to what traffic and in connection with what vessels and upon what terms and conditions such rates shall apply. By proportional rates are meant those which differ from the corresponding local rates to and from the port, and which apply only to traffic which has been brought to the port or is carried from the port by a common carrier by water.

This amendment renders complete the power of the commission over through interstate rail-water traffic, and it provides that whenever any interstate traffic is handled partly by rail and partly by water the commission may establish a through route and maximum joint rates over such rail and water carriers. By connecting with each other in the transportation of interstate traffic, rail and water carriers automatically place themselves within the jurisdiction of the commission as regards the establishment of through routes and maximum joint rates.

The application of these amended clauses to rail-water traffic other than that moving through the Panama Canal has been questioned, the contention being that the words "or otherwise" relate to the phrase "by rail and water" and not to the phrase "through the Panama Canal." This contention has, however, been rejected by the commission and indeed it is clear that the disputed words if related to the former phrase can have no meaning whatever. Each of the clauses following the paragraph which contains the phrase "by rail and water through the Panama Canal or otherwise" deals exclusively with traffic handled partly by rail and water. Moreover, the words "through the Panama Canal or otherwise" appear again in clause (d) of this amendment (see p. 35) and are there used in such a way that their meaning and intent are unquestionable. The Interstate Commerce Commission in *Augusta and Savannah Steamboat Company vs. Ocean Steamship Co. of Savannah et al.*, 26 I. C. C. Reps. 384, March 10, 1913, interpreted section 11 of the Panama Canal act as follows:

But our jurisdiction does not rest upon the above ground solely (the amendment of 1910). Since the filing of this petition, by the Panama Canal Act, so-called, approved August 24, 1912, this body has been given additional jurisdiction over water carriers. The 11th section of the Act amends Section 6 of the Act to regulate commerce as follows: If the above amendment applies to the traffic in question the right of the Commission to establish this through route is clear. The defendants contend that it does not apply for the reason that this amendment relates to traffic which passes through the Panama Canal. They argue that the words "or otherwise" modify the phrase "by rail and water" and not the phrase "through the Panama Canal," but the plain everyday reading of the Act is "through the Panama Canal or otherwise" and the defendants have referred us to no canon of construction nor to any reason for disregarding the obvious meaning of those words. Indeed, a consideration of the situation to which the amendment applies would seem to conclusively demonstrate that the position of the defendants is incorrect since the words "or otherwise" are pure surplusage if read as the defendants say they should be. Traffic through the Panama Canal can only move by rail and water unless it moves from port-to-port, and in that case we have no jurisdiction. We hold, therefore, that the Commission has the jurisdiction to establish the through routes and the joint rates prayed for.

In *Truckers Transfer Company vs. Charleston and Western Carolina R. R. Co.*, 27 I. C. C. Reps. 275, June 5, 1913, the commission reiterated its discretionary power over the establishment of joint rail-water rates and ruled as stated in the syllabus that:

When boat lines have met all reasonable requirements of connecting railroads with respect to security for freight charges, adequacy of service, efficiency of management, and any other guarantee which may justly or lawfully be required, they should be permitted to establish through routes and publish joint rates with their connecting railways.

Commission's Power to Order Physical Connections.—The Interstate Commerce Commission not only may establish through rail-water routes and joint rates when interstate freight is handled partly by rail and partly by water, but it may, when considerations of practicability, public safety and volume of traffic warrant, order the *establishing of physical connection* between rail and water carriers. Section 11, clause (a) of the Panama Canal act granted to the commission the power:

to establish physical connection between the lines of the rail carrier and the dock of the water carrier by directing the rail carrier to make suitable connection between its lines and a track or tracks which have been constructed from the dock to the limits of its right of way, or by directing either or both the rail and water carrier individually, or in connection with one another, to construct and connect with the lines of the rail carrier a spur track or tracks to the dock. This provision shall only apply when such connection is reasonably practicable, can be made with safety to the public, and where the amount of business to be handled is sufficient to justify the outlay. The Commission shall have full authority to determine the terms and conditions upon which these connecting tracks when constructed shall be operated, and it may either in the construction or the operation of such tracks determine what sum shall be paid to or by either carrier. The provisions of this paragraph shall extend to cases where the dock is owned by other carriers than the carriers involved.

It is probable that the exercise of this power may have an important bearing upon the future of coastwise and inland water transportation.

Commission's Powers over Rate Divisions.—The Interstate Commerce Commission has the power to *make rate divisions* between rail and water carriers which operate over a through route. The clause of section 15 of the interstate commerce act as amended in 1910, quoted on p. 28 above, expressly specifies that the commission may "prescribe the division of such through rates as hereinbefore provided, and the terms and conditions under which such through routes shall be operated. . . ." The amendment contained in the Panama Canal act again provides that

in case of through routes and joint rates the commission may "determine all the terms and conditions under which such lines shall be operated in the handling of the through traffic embraced."

Commission's Powers over Through Bills of Lading.—The commission also has the power to order the issuance of through bills of lading in interstate rail-water traffic. The clauses of the interstate commerce act, as amended in 1910 and 1912, which are quoted in the preceding paragraph, include bills of lading as well as other terms and conditions of traffic. Another provision of section 15, however, expressly requires the issuance of a through bill of lading by providing that, subject to reasonable exceptions, a shipper may designate in writing over which one of two or more through routes he desires to ship his freight. The section referred to specifies that:

It shall thereupon be the duty of the initial carrier to route said property and issue a through bill of lading therefor as so directed, and to transport said property over its own line or lines and deliver the same to the connecting line or lines according to such through route, and it shall be the duty of each of said connecting carriers to receive said property and transport it over the said line or lines and deliver the same to the next succeeding carrier or consignee according to the routing instructions in said bill of lading.

In practice the commission has at various times required the issue of through rail-water bills of lading. Instances are the Augusta and Savannah Steamboat Company and the Flour City Steamboat Company cases, previously cited. In *Gulf Coast Navigation Co. vs. Kansas City Southern Ry. Co. et al.*, 19 I. C. C. Reps. 544, Nov. 14, 1910, the commission has, however, denied that a water carrier owned by a shipper is entitled to through routes, joint rates, and through bills of lading, even though incorporated as a common carrier.

Commission's Powers over Water Terminals.—Water terminal facilities operated in connection with interstate shipments made partly by rail and partly by water are brought within the scope of the interstate commerce act by section 1, and the commission has at various times exercised its jurisdiction over such terminals. In *Southern Pacific Terminal Company vs. I. C. C.* 219 U. S. 498, Feb. 20, 1910, the Supreme Court ruled that the Interstate

Commerce Commission has jurisdiction to regulate the charges of a terminal company which is part of a railroad and steamship system and operates terminals, such as those of the Southern Pacific Terminal Co. at Galveston. In *Mobile Chamber of Commerce et al vs. Mobile and Ohio R. R. Co. et al.*, 23 I. C. C. Reps. 407, May 7, 1912, the commission prohibited future discrimination in water terminal facilities at Mobile. It ruled that:

There can be no such thing as a terminal which is not a public terminal—a rate charged which only applies to certain favored connections unless a like rate is made to some other dock or facility where a like service is rendered. . . . The defendant carriers must make their wharves available to the ships to which the shipments are destined on the rate they charge for shipside delivery, and they may do this at any wharf there reserving their own docks for certain lines of ships and giving delivery at whatever other docks they choose.

Commission's Powers over Ferries.—Section 1 of the interstate commerce act also places within the scope of the act all *ferries* operated in connection with interstate rail-water traffic. In *New York Central and Hudson River Ry. Co. vs. Board of Chosen Freeholders of the County of Hudson*, 248 U. S. 248, Feb. 24, 1913, the Supreme Court ruled, as stated in the syllabus, as follows:

Congress by passing the Act to regulate commerce has taken control of interstate railroads and having expressly included ferries used in connection therewith has destroyed the power of the state to regulate such ferries. The operation at one time of both the power of Congress and that of the state over a matter of interstate commerce is inconceivable. The execution of the greater power takes possession of the field and leaves nothing upon which the lesser power can operate.

Blanket Provision of Commerce Act.—The above statement indicates the manner in which the Interstate Commerce Commission has exercised its power over rail-water transportation, the specific provisions of the interstate commerce act as amended, and their interpretation by the courts and the commission. The act as amended in 1910 and 1912 provides, however, that the commission may determine "*all the terms and conditions*" under which through rail-water routes shall be operated and under which any interstate traffic carried partly by rail and partly by water shall be handled. The full scope of these provisions has not been

interpreted either by the commission or the Supreme Court. It is probable that they give to the commission full control over any interstate "property" which "may be or is transported from point to point in the United States by rail and water. . . ."

Commission's Powers over Railroad-Owned Water Carriers.—With the exception of section 20 concerning accounts and statistics the interstate commerce act at present applies only to such interstate water transportation as is conducted partly by rail and partly by water, the port-to-port business of water carriers being purposely excluded from the scope of the act. Section 11 of the Panama Canal act, however, in amending the interstate commerce act as regards the ownership or control of competitive or potentially competitive water carriers by railroads, contains a clause which provides for the *future regulation of the port-to-port* as well as the *rail-water traffic of railroad-owned or controlled water carriers*. The act prohibits the future ownership or control after July 1, 1914 by railroads engaged in interstate commerce of water carriers which compete or may compete with such railroads; but provides that the commission may permit the railroads to own or control water carriers other than those navigating the Panama Canal, if such service by water "is operated in the interests of the public and is of advantage to the convenience and commerce of the people, and if such extension will neither exclude, prevent, nor reduce competition on the route by water under consideration." It then provides: "in every case of such extension of rates the schedules and practices of such water carrier shall be filed with the Interstate Commerce Commission and shall be subject to the act to regulate commerce and all amendments thereto in the same manner and to the same extent as is the railroad or other common carrier controlling such water carrier or interested in any manner in its operation."

Commission's Powers over Ocean Carriers Engaged in Foreign Trade.—The provisions of the interstate commerce act, as amended in 1906, concerning the charges and public services of *ocean carriers engaged in the foreign trade* is contained in section 1, which provides that the act applies

to any common carrier or carriers engaged in the transportation of passengers or property wholly by rail (or partly by rail and partly by water when both

are used under a common control, management or arrangement for a continuous carriage or shipment) from one state or territory of the United States, or the District of Columbia to any other state or territory of the United States or the District of Columbia, or from one place in a territory to another place in the same territory, or from any place in the United States to an adjacent foreign country, or from any place in the United States through a foreign country to any other place in the United States, and also to the transportation in like manner of property shipped from any place in the United States to a foreign country and carried from such place to a port of trans-shipment, or shipment from a foreign country to any place in the United States and carried to such place from a port of entry either in the United States or an adjacent foreign country.

An additional provision applicable to the foreign trade was added in 1912, the Panama Canal act (section 11, paragraph "d") providing that, "if any rail carrier subject to the act to regulate commerce enters into arrangements with any water carrier operating from a port in the United States to a foreign country through the Panama Canal or otherwise for the handling of through business between interior points of the United States and such foreign country, the Interstate Commerce Commission may require such railway to enter into similar arrangements with any or all other lines of steamships operating from said port to the same foreign country."

In *Cosmopolitan Shipping Co. vs. Hamburg-American Packet Co. et al.*, 13 I. C. C. Reps. 266, Mar. 9, 1908, the Interstate Commerce Commission expressly pointed out that its powers over ocean carriers engaged in the trade with non-contiguous foreign countries are intentionally different from those which it possesses with respect to interstate commerce. The act applies to trade conducted partly by rail and partly by water, "from any place in the United States to any adjacent foreign country" and "from any place in the United States through a foreign country to any other place in the United States." But the commission has no jurisdiction over the charges or services of the ocean carrier in case of shipments to or from overseas countries. In case of such shipments the act applies only to the railroad or inland portion of the export or import charges or services, i.e., it applies only to such shipments as are carried "from such place (in the United States) to a port of trans-shipment" or "to such place from a port of entry either in the United States or an adjacent country." The commission denied that the issue of a through rail-water bill of lading places the ocean carrier within its

jurisdiction or that it has any control over ocean pools. It claimed full authority over the rail portion of the import and export rates, but disclaimed any authority over the rates or practices of ocean carriers engaged in trade with non-contiguous foreign countries.

In later decisions the commission has repeatedly denied any power to establish through routes, joint rates and through bills of lading between railroads and ocean carriers engaged in the over-sea trade. By confining itself to the rail carriers it has, however, at various times, effectively prevented undue discrimination in the foreign trade. In *Aransas Pass Channel and Dock Company vs. G. H. and S. A. Railway Co.* 27 I. C. C. Reps. 415, June 16, 1913, for example, it held that

this Commission has no more power to require the issuance of through bills of lading to foreign destination than it has to establish through routes or rates to such destinations, but it does have power to remove unjust discriminations and may require the discontinuance of practices which create such discriminations. In our opinion it is unjustly discriminatory to refuse to issue through export bills on cotton exported through Port Aransas, Texas, while issuing them through Galveston or other Texan ports to which cotton is carried by defendants or in the transportation of which they participate. Defendants may waive the collection of the under charges on the past shipments of cotton exported through Port Aransas to which we have referred, but they will be required to establish rates in accordance with the views herein expressed and also to observe the same practices in respect to through bills of lading on cotton via Port Aransas that they observe on like traffic via other ports.

In *Galveston Commercial Association vs. A. T. & S. Fe Ry. Co.* 25 I. C. C. Reps. 222, Nov. 12, 1912, the commission took occasion to say that it

has no direct jurisdiction to compel the issue of through export bills of lading nor to prescribe the terms and conditions upon which they shall issue, since it has no jurisdiction over the water carriers. . . . But we hold that to decline to issue bills of lading through Galveston, while issuing them through other ports would be an undue discrimination against Galveston, unless justified by difference in conditions at different ports which does not appear in this record.

In *Chamber of Commerce of N. Y. vs. New York Central and Hudson River R. R. Co.*, 24 I. C. C. Reps. 74, June 4, 1912, the commission also stated that it has "no jurisdiction of the ocean rates and must deal with this question as though the ports were destinations instead of gateways."

STATUTES REGULATING OR PROHIBITING COMBINATIONS, CONFERENCES
OR AGREEMENTS

As was shown in the conclusive report of the House Committee on the Merchant Marine and Fisheries, the existence of steamship combinations, conferences or agreements is an almost universal condition. The committee has recommended that certain obnoxious practices, such as the granting of deferred rebates and the operation of fighting ships should be prohibited, but that steamship conferences and agreements should be subjected to federal regulation so as to avoid their evil results and retain their advantages. Such federal statutes as are at present applicable are based upon the policy of free competition, rather than coöperation, and their tendency is to prohibit and abolish rather than to regulate. The statutes referred to are the interstate commerce act as amended, the Sherman anti-trust law of 1890, and certain sections of the Wilson tariff act of 1894.

Provisions of Interstate Commerce Act.—Section 4 of the interstate commerce act as amended in 1910 aims to *safeguard water competition* by providing that: "Whenever the carrier by railroad shall, in competition with a water route or routes, reduce the rates on the carriage of any species of freight to or from competitive points it shall not be permitted to increase such rates unless after hearing by the Interstate Commerce Commission it shall be found that such proposed increase rests upon changed conditions rather than the elimination of water competition." It is probable that this provision may prove valuable in the future development of the country's inland and coastwise waterways. Inland water transportation has in the past not infrequently suffered a decline as a result of temporarily low railroad rates.

Section 5 of the original interstate commerce act prohibits the *pooling of the freight or earnings of railroads* as follows:

It shall be unlawful for any common carrier subject to the provisions of this Act to enter into any contract, agreement or combination with any other common carrier or carriers for the pooling of freights of this and competing railroads, or to divide between them the aggregate or net proceeds of the **earnings** of such railroads or any portion thereof; and in any case of an agreement for the pooling of freights as aforesaid each day of its continuance shall be deemed a separate offense.

It has been claimed that this anti-pooling clause applies to water carriers operating in connection with railroads, but the commission has denied that it is applicable to water carriers either in the domestic or foreign trade. Its ruling in *Cosmopolitan Shipping Co. vs. Hamburg-American Packet Co.*, 13 I. C. C. Reps. 274, March 9, 1908, was as follows:

The matter which is most prominently raised in the present complaint (the pooling of traffic by water carriers) is plainly one as to which the Commission has no jurisdiction for the Act prohibits pooling only as to "railroads." The pooling of ocean freights or of water freights of any character was evidently not in the mind of Congress when it adopted this provision. (Section 5.)

The Interstate Commerce Commission at present has no authority either to prohibit or regulate steamship lines in the matter of pooling their freight or receipts.

Provisions of Panama Canal Act.—A common form of combination in the coastwise and inland business is the *ownership or control of water carriers by interstate railroad companies*. In 1912 Congress amended section 5 of the interstate commerce act so that all such ownership or control of competing water carrier, or carriers which may be competitive shall, after July 1, 1914, be prohibited, unless the commission under certain conditions extends the time during which water carriers so owned or controlled may be operated. The prohibition, however, is practically complete because the commission is not empowered to grant such extension of time unless it decides that the service by water is "operated in the interest of the public and is of advantage to the convenience and commerce of the people *and* that such extension will neither exclude, prevent or reduce competition on the route by water under consideration." When this amendment was being considered in Congress an unsuccessful effort was made to substitute the word "or" for the word "and" in the preceding phrase. The addition which was made to section 5 of the interstate commerce act in section 11 of the Panama Canal act is as follows:

From and after the first day of July, nineteen hundred and fourteen, it shall be unlawful for any railroad company or other common carrier subject to the Act to regulate commerce to own, lease, operate, control, or have any interest whatsoever (by stock ownership or otherwise, either directly, indi-

rectly, through any holding company, or by stockholders or directors in common, or in any other manner) in any common carrier by water operated through the Panama Canal or elsewhere with which said railroad or other carrier aforesaid does or may compete for traffic or any vessel carrying freight or passengers upon said water route or elsewhere with which said railroad or other carrier aforesaid does or may compete for traffic; and in case of the violation of this provision each day in which such violation continues shall be deemed a separate offense.

Jurisdiction is hereby conferred on the Interstate Commerce Commission to determine questions of fact as to the competition or possibility of competition, after full hearing, on the application of any railroad company or other carrier. Such application may be filed for the purpose of determining whether any existing service is in violation of this section and pray for an order permitting the continuance of any vessel or vessels already in operation, or for the purpose of asking an order to install new service not in conflict with the provisions of this paragraph. The commission may on its own motion or the application of any shipper institute proceedings to inquire into the operation of any vessel in use by any railroad or other carrier which has not applied to the commission and had the question of competition or the possibility of competition determined as herein provided. In all such cases the order of said commission shall be final.

If the Interstate Commerce Commission shall be of the opinion that any such existing specified service by water other than through the Panama Canal is being operated in the interest of the public and is of advantage to the convenience and commerce of the people, and that such extension will neither exclude, prevent, nor reduce competition on the route by water under consideration the Interstate Commerce Commission may, by order, extend the time during which such service by water may continue to be operated beyond July first, nineteen hundred and fourteen. In every case of such extension the rates, schedules, and practices of such water carrier shall be filed with the Interstate Commerce Commission and shall be subject to the act to regulate commerce and all amendments thereto in the same manner and to the same extent as is the railroad or other common carrier controlling such water carrier or interested in any manner in its operation: *Provided*, Any application for extension under the terms of this provision filed with the Interstate Commerce Commission prior to July first, nineteen hundred and fourteen, but for any reason not heard and disposed of before said date, may be considered and granted thereafter.

As was more fully stated above on p. 34 such competitive or potentially competitive water carriers as may be owned or controlled by interstate railroads after July 1, 1914, by consent of the Interstate Commerce Commission are subjected to all the provisions of the interstate commerce act as regards their rates, schedules and practices both in their rail-water and their port-to-port business.

The amendment to the interstate commerce act above quoted also *prohibits any railroad-owned or controlled water carrier which is or may be competitive, from passing through the Panama Canal*. So far as Panama Canal navigation is concerned this prohibition is complete because in such cases the Interstate Commerce Commission is not under any circumstances authorized to extend the time of railroad ownership or control. It has not been decided whether this prohibition excludes all railroad-owned or controlled vessels from navigating the Panama Canal or only such water carriers as are or may be in competition with the railroads. Neither has it been decided whether this prohibition applies to steamship lines which are owned or controlled by the Canadian Pacific Railroad or other foreign railroad companies.

Section 11 of the Panama Canal act also amends section 5 of the interstate commerce act by *prohibiting any vessel which is owned, chartered, operated, or controlled by any concern which is doing business in violation of the Sherman anti-trust law of 1890, or the anti-trust sections of the Wilson tariff act of 1894 from navigating the Panama Canal*. The section provides that:

No vessel permitted to engage in the coastwise or foreign trade of the United States shall be permitted to enter or pass through said canal if such ship is owned, chartered, operated or controlled by any person or company which is doing a business in violation of the provisions of the Act of Congress, approved July 2d, 1890, entitled "An Act to protect trade and commerce against unlawful restraint and monopolies." All the provisions of sections seventy-three to seventy-seven both inclusive of an Act approved August twenty-seventh, eighteen hundred and ninety-four, entitled "An Act to reduce taxation to provide revenue for the Government and for other purposes." Or the provisions of any other Act of Congress amending or supplementing said Act of July 2d, 1890, commonly known as the Sherman Anti-Trust Act and Amendments thereto, or said sections of the Act of August twenty-second, eighteen hundred and ninety-four. The question of fact may be determined by the judgment of any Court of the United States of competent jurisdiction, in any cause pending before it to which the owners or operators of such ship are parties. Suit may be brought by any shipper or by the Attorney-General of the United States.

Although it is provided that the question of fact is to be determined by any court of the United States of competent jurisdiction the strict enforcement of this section is of doubtful practicability. Its strict enforcement would require that all vessels owned, char-

tered, operated or controlled by illegal industrial combinations be denied the right of canal passage. It would also prevent the passage of vessels owned, chartered, operated or controlled by all those steamship concerns which are parties to any conferences, pools, agreements or understandings which the courts may declare to be illegal under the federal anti-trust laws. Should the courts declare the steamship conferences, etc., which now prevail so widely among the ocean carriers of the world, to be illegal combinations, relatively few vessels would under the above provision of the Panama Canal act be legally authorized to navigate the canal.

The Federal Anti-Trust Acts.—The statutes which are generally applicable to and which *prohibit all combinations, conferences or agreements which result in unreasonable restraint of interstate or foreign trade* are the Sherman anti-trust law of 1890 and certain provisions of the Wilson tariff act of 1894. The former statute declares to be unlawful

Every contract, combination in the form of trust or otherwise or conspiracy in restraint of trade or commerce among the several states, or with foreign nations . . . every person who shall monopolize or attempt to monopolize or combine or conspire with any other person or persons to monopolize any part of the trade or commerce among the several states or with foreign nations . . . every contract, combination in form of trust or otherwise or conspiracy in restraint of trade or commerce in any territory of the United States or the District of Columbia, or in restraint of trade or commerce between any such territory and another, or between any such territory or territories and any state or states, or the District of Columbia, or with foreign nations or between the District of Columbia and any state or states or foreign nations. . . .

Section 73 of the tariff act of 1894 which remains in effect, declares:

that every combination, conspiracy, trust, agreement, or contract is hereby declared to be contrary to public policy, illegal and void when the same is made by or between two or more persons or corporations either of whom is engaged in importing any article from any foreign country into the United States and when such combination, conspiracy, trust, agreement, or contract is intended to operate in restraint of lawful trade or free competition in lawful trade or commerce or to increase a market price in any part of the United States of any article or articles imported or intended to be imported into the United States or of any manufacture into which such imported article enters or is intended to enter.

The common belief that the Sherman anti-trust act applied only to industrial combinations was definitely abandoned in 1897-98 when in *U. S. vs. Trans-Missouri Freight Association*, 166 U. S. 290 and *U. S. vs. Joint Traffic Association*, 171 U. S. 505, the United States Supreme Court decided that "the language of the act includes every contract, combination, in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several states or with foreign nations." This construction of the act still holds except that, since the decisions in the Standard Oil and the American Tobacco cases, the word "unreasonable" has been inserted.

Application of Federal Anti-Trust Acts by the Courts.—There have been no instances in which the Sherman anti-trust act has been specifically applied to the usual type of combination, conference or agreement among water carriers by the Supreme Court, although various cases are at present being urged by the government. (*U. S. vs. Hamburg-American Packet Co. et al.*; *U. S. vs. American-Asiatic Steamship Co. et al.*; *U. S. vs. Prince Line Ltd. et al.*). The Supreme Court has, however, in a decision involving an agreement between several steamship companies and the Canadian Pacific Railroad to suppress competition in the Alaskan trade by refusing to establish through routes, joint rates and through bills of lading over independent outside steamship lines, definitely applied the Sherman anti-trust law to rail and water carriers operating in American territory, even though they may be foreign corporations. In the decision referred to—*U. S. vs. Pacific and Arctic Railway and Navigation Company, Pacific Coast Steamship Company, Alaskan Steamship Company and Canadian Pacific Railway Company*, 228 U. S. 87, April 7, 1913—the Supreme Court decided as stated in the syllabus:

That while under the Interstate Commerce Act a carrier may select its through route connections, agreements for such connections may constitute violations of the Anti-Trust Act if made not for natural trade reasons or on account of efficiency but as a combination and conspiracy in restraint of interstate trade and for the purpose of obtaining a monopoly of traffic by refusing to establish routes with independent connecting carriers. . . . A combination made in the United States between carriers to monopolize certain transportation partly within and partly without the United States is within the prohibition of the Anti-Trust Act and is also within the jurisdiction of the criminal and civil law of the United States even if one of the parties combin-

ing be a foreign corporation. . . . While the United States may not control foreign citizens operating in foreign territory it may control them when operating in the United States in the same manner as it may control citizens of this country.

The lower federal courts have at various times applied the Sherman anti-trust act to water carriers. The circuit court in *United States vs. Hamburg-American Packet Company, et al.*, 200 Federal Rep. 806, Dec. 20, 1911, declared the division of steerage traffic into percentages and the pooling of receipts derived therefrom to be illegal. and took occasion to say that the act applies regardless of whether the parties to the combination are citizens or corporations of the United States or of foreign countries, whether the vessels used are of American or foreign registry, and whether the illegal restraint is practiced in domestic or foreign commerce. The decision of the court, which has been appealed to the Supreme Court of the United States, contains the following observations regarding the application of the federal anti-trust act to water carriers:

It may be accepted without discussion that the transportation of passengers between this country and Europe forms a part of the commerce of the United States to foreign nations. It is also clearly established that Congress has power to prohibit all contracts, combinations and conspiracies in restraint of such part of the foreign commerce of the United States. . . . The prohibitions of the Anti-Trust Act apply broadly to contracts in restraint of trade or commerce with foreign nations. . . . We see nothing to warrant the contention that the Acts should be narrowly interpreted as prohibiting only contracts which are to be performed wholly within the territorial jurisdiction of the United States nor—if it were for us to consider—any reason for concluding that the broader construction would lead to international complications. . . . As the contract directly and materially affects the foreign commerce of the country by being put into effect here, it is immaterial where it was entered into or by what vessels it was to be or has been formed. Citizens of foreign countries are not free to restrain or monopolize the foreign commerce of this country by entering into combinations abroad nor by employing foreign vessels to effect their purposes. . . . Whether or not the statute is directed against all combinations in restraint of competition it is certain that it embraces those in which the purpose and effect are to charge arbitrary and excessive transportation rates. Whether the statute be broadly or narrowly construed it is clear that it prohibits combinations and conspiracies to restrain the business of transporting passengers when accompanied with acts of oppression and attempts to monopolize.

In *Thomsen et al. vs. Union Castle Mail Steamship Company et al.*, 166 Federal Rep. 251, Oct. 1, 1908, the Circuit Court of Appeals

in considering the deferred rebates which enabled the so-called "South African Lines" conference to fix ocean rates and suppress outside competition, likewise, took occasion to say "that the combination was formed in a foreign country is immaterial. It affected the foreign commerce of this country and was put into operation here;" and that Thomsen et al. are entitled to "their full day in court" to try and collect treble damages. Since the application of the rule of reason by the Supreme Court, a new trial has been ordered in this case but the statement of the Circuit Court of Appeals with reference to the application of the anti-trust act to illegal combinations formed in foreign countries has thus far not been altered.

In *Cole Transportation Company vs. White Star Line*, 186 Fed. Rep. 63, March 7, 1911, the Circuit Court of Appeals in considering the lease of a vessel by one Great Lakes carrier to another and an agreement by one of the carriers not to engage in competition during a term of three years, declared the lease to be void, and in violation of the Sherman anti-trust act. In *United States vs. Great Lakes Towing Co. et al.*, 208 Federal Reporter 733, Feb. 11, 1913, the United States District Court decided that this consolidation had been formed to secure a monopoly and combination in unreasonable restraint of interstate and foreign commerce and violates the Sherman anti-trust act.

Sufficient decisions have been rendered by the federal courts to indicate that the anti-trust laws apply to all consolidations, agreements, contracts, conferences or arrangements between carriers by water which unreasonably restrain interstate or foreign trade. The pending cases above mentioned, particularly the Supreme Court case of *United States vs. Hamburg-American Packet Company et al.*, will, however, indicate more clearly whether the courts regard the typical ocean conferences and agreements, which so generally prevail, as monopolies or combinations in "unreasonable" restraint of trade.

SHORTCOMINGS AND FALLACIES OF PRESENT STATUTES

Having outlined the various ways in which water transportation is subject to government control, it is obvious that while many phases are covered by existing statutes many others are at present unregulated. It has, moreover, been suggested that some of the

statutes now applicable may in the near future require modification so as to deal fully and wisely with practical transportation conditions and practices.

In the domestic trade the interstate charges and public services of carriers by water are not regulated in their port-to-port business. Those of water carriers which handle only port-to-port traffic are subject to no government regulation, and those of carriers by water which handle traffic in connection with railroads are regulated only in so far as they concern traffic handled partly by rail and partly by water. As regards their interstate port-to-port business the Interstate Commerce Commission has no authority to require the filing of rate tariffs, to determine maximum charges and classification, or to prevent discriminations between shippers or places as regards rates, fares, demurrage, storage, and other charges, deferred rebates, the settlement of claims, loading and discharging cargo, bills of lading, transfer and lighterage, terminal or other facilities, regulations or practices. The interstate commerce act likewise does not apply to the interstate port-to-port traffic of canals.

Although the commission has the power to establish a uniform accounting system and require statistical reports covering the port-to-port business of carriers by water who handle interstate traffic in connection with railroads, it has no authority over the accounts of carriers by water who conduct only a port-to-port business. It can not require them to submit statistical reports and cannot investigate their financial and business operations.

The application of the interstate commerce act to the interstate freight traffic of carriers by water which is handled partly by rail and partly by water has gradually been increased in the amendments of 1906, 1910 and 1912, and the charges and public services in case of such traffic can be effectively controlled whenever the commission sees fit to exercise its full authority. However, as regards the passenger traffic handled over rail-water routes, though sections 1 and 15 of the act to regulate commerce include both the passenger and freight traffic, the important amendments to section 6 contained in the Panama Canal act of 1912 refer only to the transportation of "property." There are no convincing reasons why the provisions of this amendment should not be equally applicable whether the rail-water service concerns freight or passenger traffic.

It has also been recommended by the House Committee of

the Merchant Marine and Fisheries "that the railroads be prohibited from making the through rail and water route unprofitable as compared with the all-rail route, by charging more for the same service on water-borne commodities than they charge for a proportionate share of the all-rail haul." As the interstate commerce act now stands the commission has the power to regulate both the rail and water portion of a rate in case of a through rail and water route, and could, if it desired, prevent the situation referred to by the committee. The commission, as in *New York Produce Exchange vs. New York Central & Hudson River Railroad Co., et al.*, and *Chicago Board of Trade vs. Atlantic City Railroad Co. et al.*, 20 I. C. C. Reps. 504, April 4, 1911, has refused to require the railroads carrying ex-Lake grain from Buffalo to charge less than the local rail rate. The recommendation of the committee aims to prohibit the situation referred to rather than to depend upon the Interstate Commerce Commission for an exercise of its powers.

Although the Interstate Commerce Commission has on various occasions exercised its power in the following matters, the Committee on the Merchant Marine and Fisheries, in order to avoid all possible ambiguity and doubt, recommends that

the rate divisions on any trade route should be open equally to all water carriers that comply with such conditions of quality and regularity of service as the commission may determine to be reasonable that the railroads and water carriers be required to issue through bills of lading to all interstate water carriers that meet such conditions of quality and regularity of service as the Interstate Commerce Commission may consider reasonable and that railroads be required to account separately to the Interstate Commerce Commission for the income and expenditures of interstate water lines owned or controlled by them.

The ownership or control of water carriers by railroads is fully covered by the Panama Canal act. The reading of section 11 indicates, however, that it is in some respects ambiguous. It moreover raises the question of whether it is desirable to treat railroad-owned or controlled vessels differently in the handling of Panama Canal traffic than in other branches of the coastwise business.

In the foreign trade with over-sea countries government control over the charges and public services of ocean carriers is far less extensive than in the domestic business. The Interstate Commerce Commission has no jurisdiction over their charges or public services

in the port-to-port business and none over their rail-water business other than such indirect control as is exercised by regulating the rates, bills of lading and other arrangements of connecting railroads. The commission has no authority over the maximum rates, fares or other charges or over the contracts or other conditions of ocean carriers affecting the interests of shippers or passengers, other than over the transportation of explosives. It has no power to prohibit the payment of deferred rebates or to prevent unfair discriminations in charges, accommodations, cargo space and other facilities, in the settlement of claims, or in other services and practices.

Conferences, agreements, traffic associations, pools or other arrangements and understandings between carriers by water both in the interstate and foreign trade are, whenever they unreasonably restrain trade, prohibited by the Sherman anti-trust act and the anti-trust sections of the Wilson tariff act. Yet the existence of steamship conferences, agreements, etc., is an almost universal condition and the wisdom of abolishing rather than regulating them has frequently been questioned. Vessels owned, chartered, controlled, or operated by concerns which do business in violation of these acts, are moreover barred from the Panama Canal, although the desirability and practicability of employing the canal as a means of enforcing the country's anti-trust laws has not been established.

The House Committee on the Merchant Marine and Fisheries has recommended the prohibition of objectionable features such as the use of "fighting ships" or retaliatory and unfair methods against independent shippers or carriers by water, and the payment of deferred rebates. It has recommended that, as in the case of railroads, carriers by water, "if cutting rates with a view to driving out a competitor, should be denied the privilege of restoring rates, and jurisdiction should be conferred on the Interstate Commerce Commission to determine whether rates are cut with the object of crushing such competition." It has also recommended however, that any conferences, agreements, etc., whether between carriers by water or between such carriers and shippers, railroads, or other transportation agencies, which are not discriminating or unfair in character shall be retained. In order to protect the interest of all parties concerned the committee recommends that all conferences, agreements, etc., shall be filed with the Interstate Commerce Commission and that the commission shall have the power to cancel or reject them or any parts thereof which are "discriminating or unfair in character or detrimental to the commercial interests of the United States."

HISTORICAL DEVELOPMENT OF STEAMSHIP AGREEMENTS AND CONFERENCES IN THE AMERICAN FOREIGN TRADE

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The scope of this article is confined to a discussion of the development of agreements and conferences entered into by the steamship companies engaged in the foreign trade of the United States. These companies furnish today the greater portion of the tonnage required to move the vast export traffic of this continent. The evolution of the different services into the powerful position occupied by them today affords an interesting study presenting innumerable instances of lines falling by the wayside, history alone remaining to tell the tale of disappointed hopes and wasted endeavors. Those lines which have survived, together with many new enterprises, share today in overwhelming proportion the export traffic of the United States. This traffic logically divides itself into three distinct groups, and for the purpose of this article it is desirable to consider the subject from the standpoint of each separately. The three groups may be stated as follows:

Group I. The trans-Atlantic trade covering all ports in Europe bordering on the Atlantic Ocean, the North Sea, the Baltic, the White Sea, and the Mediterranean, as well as ports in Asia on the Mediterranean and the Black Sea.

Group II. The long-voyage trade, covering Africa, excepting Mediterranean ports; Asia, with the exclusion of the ports on the Mediterranean and the Black Sea; South America, east and west coast, but excluding the most northern part of it; and Australia and New Zealand.

Group III. The Caribbean trade, covering the Bermudas, the West Indies, Central America, Mexico, Colombia, Venezuela and British, Dutch and French Guiana.

Steamship Services Comprising Group I

The epoch-making period of trans-Atlantic steam navigation dates from about the middle of the last century. Previous to this date transportation across the Atlantic both for goods and passengers was supplied exclusively at first by irregular sailing ships and later by the well known lines of packet vessels. These packet lines remained in the trans-Atlantic trade until after the Civil War, but in the meantime the development of steamship lines had been rapid and a large number of services were established to various British and continental ports. As early as 1858 there were 31 steamers aggregating 57,000 tons engaged in the trans-Atlantic trade. The formation of the most important steamship services, all under the foreign flag, occurred between the years 1855 and 1866. The White Star Line, however, did not start its Liverpool service until 1870, and during the seventies and eighties many additional services under separate and distinct companies and to different ports were created. Some of these developed rapidly, while others disappeared because of their inability to maintain their position in competition with their stronger and better equipped rivals. It may be stated that few new enterprises to the northern part of Europe were undertaken after 1890; at least the few lines started since that date have played no important part in the general expansion of the steamship trade. On the other hand, the established companies have continually added types of vessels to their existing services which as regards capacity, speed, comfort and safety, have no rivals in any of the other services of the world. The traffic between the United States and the Mediterranean ports received its strong impetus only when the tide of immigration changed from the more northern countries to those of the southern parts of Europe, and the development of these services is, therefore, of more recent origin.

The first of the aforementioned three groups may be conveniently divided into a number of sub-divisions. Thus, for example, the lines operating to British ports are in close competition with each other since the port merely serves as the gateway through which both passengers and the goods pass to their final destination. Liverpool is in close competition with London and Glasgow, and vice versa. The same conditions apply in most other instances and probably more forcibly in connection with the various ports of the

Continent. In the other groups each port largely controls its own trade, and interior transportation by rail and water is not as finely developed as in European countries, thus limiting competition to the respective ports.

It would extend the scope of this article too far to deal minutely with the various services of each group in order to illustrate the historic development of the different lines. It will suffice to select the leading ports of each group in order to demonstrate how steamship agreements and conferences have been brought into existence through strong competition and the survival of the lines best fitted to furnish the service. In this connection we will consider mainly the services established from New York, as this port has maintained the commanding position it occupied during the period of the sailing vessel packets, and in many instances controls the lines running from the other ports.

In a consideration of group I, the trade between the United States and the port of Liverpool is unquestionably the largest of them all. Shortly after the early experiments with steamers crossing the Atlantic, Samuel Cunard being convinced of the advantage which would accrue to both countries from the adoption of a regular communication by steam, went to England and together with Mr. George Burns, of Glasgow, and Mr. David McIver, of Liverpool, founded early in 1839 the British and North American Royal Mail Steam Packet Company, and signed a contract with the British government for the conveyance of the mails between Liverpool, Halifax, Boston and Quebec. For this service they built four steamers and started the line on July 4, 1840, and by 1850 the fleet had been increased to twelve steamers, at which time the Collins Line, subsidized by the United States government, started a competing service to the Cunard Line. Owing largely to the severe competition as regards both passengers and freight which followed, the Collins Line was forced to discontinue its service in 1858, but the Cunard Line continued to prosper and further notable additions to its fleet from time to time have placed it in the eminent position it occupies today.

The Liverpool-New York and Philadelphia Steamship Company, better known as the Inman Line, was started in 1850 and with two vessels maintained a regular service between Liverpool and Philadelphia. The fleet was gradually increased, until in 1857 the Inman

Line started a fortnightly service from New York which in 1860 was increased to once a week, in 1863 to three times a fortnight and in 1866 to twice every week during the summer months. The Inman Line was finally bought by American capitalists in 1886 and continued to operate as the Inman & International Steamship Company until 1893, when it was changed to the International Navigation Company of New Jersey. In the same year the steamers *City of New York* and *City of Paris* were put under the American flag, as the *New York* and *Philadelphia*, and later the *St. Louis* and *St. Paul* were added to the service. The rates of freight for Liverpool were unsatisfactory, and other unfavorable circumstances induced the company in February, 1893, to transfer the Inman Line service, now called the American Line, to Southampton, to which port it has operated ever since. The International Mercantile Marine Company was formed in 1902 as a consolidation of a number of important and distinct steamship enterprises, including the International Navigation Company of New Jersey.

The successful operations of the Inman Line encouraged others to invest their capital in steamship enterprises and a number of new services were started in rapid succession. The National Steam Navigation Company formed in 1863, inaugurated a service from Liverpool and eventually extended its operations by establishing a line from London, but strong competition with the existing services and adverse business conditions prevented the company from obtaining a foothold in the trade, and in 1896 it was purchased by the Baltimore Storage and Lighterage Company, the predecessor of the Atlantic Transport Company.

Mr. S. B. Guion, of New York, the chief owner of the Guion Line of sailing ships, realized as early as 1863 that he could no longer control his traffic by his sailing ships, which induced him at that period to forward his passengers and cargo by the Cunard and National Lines until 1866 when he decided to start a service of fast steamers from Liverpool to New York. A long and serious depression in the steamship trade followed and in 1874 the Guion Co. sold several of its steamers. Upon a partial revival in the trade in 1879 the company ordered a much larger and faster steamer than it had previously attempted to construct, and the *Arizona*, the first of all the Atlantic "greyhounds," was followed in 1881 by the *Alaska*, a

still faster boat. This vessel in 1882 reduced the time of the eastward passage to 6 days, 18 hours and 37 minutes, while in 1883 the *Alaska's* record shows a westward voyage of 6 days, 21 hours and 40 minutes. The extreme depression in freights, however, and the restrictions on immigration enacted by Congress became so severe that the vessels did not even pay their running expenses. Following Mr. Guion's death in 1885, it was decided to wind up the affairs of the company and all the steamers were laid up for sale.

The White Star Line was established in 1870 by Ismay, Imrie and Company in conjunction with Harland and Wolff, ship builders at Belfast. They started a regular passenger and freight service from Liverpool to New York, and although this line had to contend with many unfavorable circumstances, the superior construction of its vessels, no less than the great ability of its management, have procured for the White Star Line the conspicuous position which it now occupies in the New York-Liverpool and other trades. Another interesting event was the formation of the American Steamship Company, supported by interests closely connected with the Pennsylvania Railroad, which in 1873 had four steamers constructed by the Wm. Cramp and Sons Ship and Engine Building Company for the trade between Philadelphia and Liverpool, each steamer costing about \$600,000. These vessels passed into the hands of the International Navigation Company in 1884, which company, as already noted was absorbed in 1902 by the International Mercantile Marine Company. It was impossible to maintain these ships in the Philadelphia-Liverpool trade, because of their greater cost of construction and operation, and in 1898 one of the steamers was sold to the United States government, while the other three passed into the hands of parties on the Pacific coast.

While New York has maintained its position in the Liverpool trade, its neighboring ports have likewise gradually developed steamship lines running to Liverpool, and regular services are maintained from Boston, Philadelphia, Norfolk, Newport News and Baltimore. In some instances these services are operated by independent companies, while in others they are branches of the New York lines; but since the ports at which the steamers load are merely the gateways through which the goods from the interior producing points find their outlet, all the Liverpool lines practically compete with each other. The ruinous conditions which followed unrestricted

competition have long since brought about an understanding by which the traffic moves through the various ports in a regulated and efficient manner, due allowance being made for the difference in the rates from the interior points to the respective ports and the position which each service occupies. This historical sketch of the development of the Liverpool trade demonstrates conclusively that competition between the different lines operating to this port forced several of them to withdraw their services, and the New York trade is now controlled by the two remaining companies, viz., the Cunard Line and the White Star Line. These two lines furnish not only an adequate and frequent service, but the vessels used in the trade are among the largest and most efficient steamers engaged in any trade of the world.

London is the next important port of the United Kingdom to which a number of services are maintained from this country. Early in the seventies of the last century a line of steamers under the Norwegian flag, and running from New York to Bergen, called at London to discharge a portion of the American cargo, but the undertaking proved unprofitable and soon withdrew from the trade. The Baltimore Storage and Lighterage Company, organized in Baltimore in 1883, started a service from Baltimore to London, at first with chartered steamers, and in 1884 with steamers owned by Hooper, Murrell and Williams, of London. In 1886 the company built its own steamers to ply regularly in the trade between Baltimore and London and Philadelphia and London. In 1892 the New York Shipping Company, a branch of the Baltimore Storage and Lighterage Company, inaugurated a New York-London service, with four steamers; and the Atlantic Transport Company, formed in 1896 as successor to the Baltimore Storage and Lighterage Company, has ever since occupied a preëminent position in the trade between this country and the port of London.

The Exchange Shipping Company created in 1881 under the style of the Monarch Line, a service of first-class cargo steamers from New York to London. These vessels were especially built for the trade and particularly fitted to carry livestock, but unfavorable business conditions and strong competition brought about in 1887 a collapse of this company and the boats, after having been laid up for some time, were sold finally to the Allan Line and the Wilson Line. The Hill Line likewise started a service with three twin cargo

and cattle ships from New York to London in 1881, but after several years of unprofitable operation this service was discontinued and the steamers sold. The National Line, already referred to, was acquired in 1896 through purchase by the Atlantic Transport Company, and the latter likewise in 1898 became the owners of the steamers of the Wilson-Leyland-Furness Line, a combination of ownerships which had established regular communication between New York and London in 1897. The history of the London services thus shows that competition between the competing lines led either to a total collapse of the enterprise or a sale of the boats to the strongest opponent, the Atlantic Transport Company, which is now practically in control of the traffic to the port of London.

In dealing with the ports of the Continent it will be sufficient for this review to consider in detail only the four most important of them, viz., Hamburg, Bremen, Rotterdam and Antwerp. The geographical position of these ports brings them constantly into competition with each other, and while agreements and conferences have been in existence in the passenger traffic both eastbound and westbound and in the cargo traffic westbound, no such measures have been adopted for the eastbound cargo trade. Each of the ports, however, has had to contend with competing services, and it is historically interesting to give in detail the development of the companies which now occupy a predominant position in their respective ports.

Hamburg may lay claim to being the largest of this group of ports. Prior to 1847 irregular sailing vessel despatches offered the only means of transportation from Hamburg to America, but in that year the Hamburg-American Packet Company was formed and by 1853 owned six sailing vessels aggregating 4,000 tons register. In the meantime, however, various services of vessels propelled by steam were developing successfully between the United States and European ports. Private ownerships were occasionally despatching steamers to America, and in 1850 the Hamburg firm of Rob. M. Sloman sent the steamship *Helena Sloman* with passengers from Hamburg to New York. Although the Hamburg-American Line had serious misgivings for some time as to the advisability of entering without governmental assistance into competition with the steamship lines, all of which were receiving government subventions, it was finally decided in 1854 to construct two steamers, which number was increased to four in 1856 in order to furnish fortnightly depar-

tures. During the twelve years following 1860 the company prospered considerably, and when it celebrated its twenty-fifth anniversary in 1872 its fleet had increased to 25 steamers, and was then maintaining a regular weekly service to New York with extra sailings whenever traffic required the same.

Towards the close of 1871 the German Trans-Atlantic Steam Navigation Company was established to compete for the New York trade of the Hamburg-American Line. It started with a considerable capital and ordered the construction of seven passenger steamers of the most modern type. The service was inaugurated near the end of 1873 under the name of the Eagle Line, and a serious rate war followed immediately. The fight continued actively during the succeeding year and was so serious as nearly to ruin both competitors. While the Packet Company had prepared itself in advance for this warfare, the losses were so far reaching that by the close of 1874 all of its reserve funds were practically exhausted, and it closed the fiscal year with a considerable deficit. Although the position of the Packet Company was a precarious one, its opponent, the Eagle Line, had by April, 1875, completely exhausted its resources. This led to an arrangement between the two competing companies; the Packet Company bought the Eagle Line's ships and all of its other material and thereby disposed of the most serious competitor it has ever had to contend with.

The after-effects of the war with the Eagle Line, however, were felt for some years to come, and in October, 1877, the Packet Company decided to reduce its share capital from $22\frac{1}{2}$ million marks to 15 million marks, a loss of $33\frac{1}{3}$ per cent. This wholesome, although radical, measure again placed the finances of the company upon a healthy basis and after having passed its dividends for four years it was again enabled in 1878 to declare a dividend of 7 per cent. During the next five years the Packet Company developed satisfactorily, but in 1883 another strong competitor arose, viz., the Carr Line operating from Hamburg to New York with steamers carrying only steerage passengers and cargo. During this competitive struggle steerage rates were reduced to an unknown low level and the fight lasted until 1886 when an agreement was entered into with the Carr Line and the Sloman Line, the two having in the meantime amalgamated into the Union Line. This agreement precluded all future competition either in the freight or passenger traffic and

likewise offered far-reaching guarantees against new competition. At the same time an arrangement was concluded with the British lines so far as it concerned the indirect emigration business, which arrangement brought about normal conditions in the Hamburg passenger traffic. The Carr Line withdrew from the trade in 1888 and the four steamers it owned at that time were bought by the Packet Company. The Sloman wing of the Union Line thereafter continued the service as the Sloman Union Line under the agreement made in 1886 and under which it has been operating ever since. A service to Baltimore was established by the Packet Company in 1888 and another new line to Philadelphia in 1889, while the service of the Hansa Line to Montreal and Boston, which had been established as far back as 1881 and was competing with the various services of the Packet Company, was absorbed by the latter in 1891, thereby avoiding a costly warfare.

In order to operate the cabin passenger traffic more profitably an understanding was also reached with the North German Lloyd whereby all the cabin passenger business between Hamburg, Bremen, Southampton and New York in both directions was divided on an agreed basis. On January 19, 1892, the Nord-Atlantischer Dampfer Linien Verband (North Atlantic Steamship Lines Association) was formed. The steamship lines forming this Association were originally the Hamburg-American Line, the North German Lloyd, the Holland-America Line and the Red Star Line. This agreement divided the total number of steerage passengers forwarded by these lines in the course of a year to and via the United States and Canada on the basis of an agreed percentage, which percentage was amended in 1909. The agreement furthermore embraces an eastbound pool, in which the Compagnie Générale Transatlantique (French Line) and the American Line participate. A further agreement commencing January, 1903, between the Steamship Association and the French Line covers the westbound steerage traffic, so far as the latter is concerned, and especially reserves the port of Havre both for freight and passenger business to the French Line. Further agreements both eastbound and westbound were finally concluded between the lines composing the Steamship Association and the British Lines, as well as the Canadian Pacific Railway Company, covering the steerage traffic and fixing a minimum for second- as well as first-class passengers. On March 10, 1894, the Hamburg-American Packet

Company, the North German Lloyd, the Holland-America Line and the Red Star Line also entered into a contract comprising the total freight traffic of these companies from ports of the North German seacoast, Holland and Belgium to ports of the United States. In this contract it is stated that "the purpose of this agreement is to bring about a mutual understanding regarding freight rates to be maintained on a corresponding basis and to preserve to each separate company its share of the total income from the freight traffic." The total freight receipts were divided in accordance with fixed proportions stipulated in the contract.

The importance of these agreements to the lines concerned will be readily recognized and they have operated during their existence not only to the advantage of the steamship lines themselves, but have proved most beneficial to the traveling and shipping public. In solving a problem of the greatest importance it has enabled the lines to provide their services with the highest and most efficient type of steamers, and increasingly to furnish accommodation to all classes of passengers such as has never been seen before. The Hamburg-American Line found itself compelled to give notice to terminate on December 31, 1913, the steamship agreement covering the steerage traffic. While this action led to some disturbance in the steerage passenger traffic, a truce has been declared and the lines will undoubtedly renew their pact on terms mutually satisfactory to all. At any rate it has been the means of bringing the two big German companies, the Hamburg-American Line and the North German Lloyd, closer together. They have concluded an agreement under which they will for the next fifteen years participate equally in the total results of their respective companies' business in the North American trade.

Another important event, which occurred in 1902, should be chronicled. When the late J. Pierpont Morgan was forming the combination of steamship companies which were finally brought under one corporation, the International Mercantile Marine Company, he made strenuous efforts to include the two German companies, but the Hamburg-American and the North German Lloyd resisted successfully, with the result that in the end these companies concluded an offensive and defensive alliance with the International Mercantile Marine Company, including a stipulation that the latter could not send any of its ships to German ports without the consent

of the two German companies. A reciprocal sharing of profits between the three companies was added, and although the contract was concluded for twenty years, it was abrogated by mutual agreement and ceased to exist December 31, 1911.

Bremen had the earliest steamship communication of any of the continental ports with the United States, as in 1845 our postmaster general contracted with Edward Mills for four ships and twenty trips a year from New York to Bremen and Havre, for which service he was to receive an annual subsidy of \$400,000. On February 20, 1857, the North German Lloyd was founded and four large steamers were ordered to be constructed in England and Scotland, thereby furnishing a regular fortnightly service to New York. The company maintained this fortnightly service until 1867, when the great increase in the traffic made it necessary to establish weekly sailings. In the meantime a new line was opened to Baltimore in 1866 and another service to New Orleans was inaugurated in 1869, transferred eventually in 1884 to Galveston. When celebrating its twenty-fifth anniversary on February 20, 1882, the Lloyd owned 29 trans-Atlantic steamers and was already at that time the fourth largest steamship company in the world. The Lloyd's traffic and services expanded in all directions and while it has been less subject to attack on the part of new enterprises than most of the lines serving other ports, it is worth stating that as early as 1866 R ger Brothers of New York started the North American Lloyds with three steamers under the American flag and running from New York to Bremen via Southampton. This undertaking was not successful, but in the following year R ger Brothers made a second attempt under the name of the New York & Bremen Steamship Company, with the same steamers and with the same unsatisfactory result. Again they started another line the following year, operating five chartered steamers between New York and Bremen, calling at Southampton and Havre, but the ships proved too costly and the service was therefore abandoned. It should be added that, since Bremen depends largely upon the hinterland for its support of both passengers and cargo, the North German Lloyd was at all times in strong and active competition with the services running from the other continental ports until the culmination of the various agreements, already referred to when discussing the position of the port of Hamburg.

The initiation of regular steam communication with the port of Rotterdam practically occurred on May 1, 1873, on which date the Netherlands American Steam Navigation Company, now generally known as the Holland-America Line, was incorporated. It succeeded the limited partnership of Plate Reuchlin and Company, a private firm which a few years earlier had started a service to New York with two steamers, which were taken over by the new company. With them a monthly service was maintained by the company until two new steamers were constructed, whereupon a fortnightly service was inaugurated. The early years of this company's history were most trying and business proved to be so unprofitable that in 1876 it was decided to write off 50 per cent of the share capital. In the meantime Amsterdam, anxious not to be outdone by its neighboring port, had made several attempts to establish itself in the American trade. In fact as early as 1874 two large steamers were especially constructed by the Royal Netherlands Steamship Company for the Amsterdam-New York trade, and they are stated to have been amongst the most luxurious and up-to-date vessels of their time. A complete depression in the American trade both in the cargo and passenger traffic, however, coincided with the delivery of these new steamers from their builders and they were never entered in the trade for which they were constructed. The vessels were finally sold at a heavy loss in 1879 and found suitable employment in the French Line's service from Marseilles to New York.

The revival of trade with America in 1881 created again the desire for the establishment of a regular line of steamers between Amsterdam and New York and a combination of Dutch commercial houses guaranteed to share in any loss up to \$40,000 per annum for two years, on the understanding that the Royal Netherlands Steamship Company would furnish at least 17 sailings a year, and with this subsidy the line was inaugurated. A three-weekly service was maintained in 1881 which the year following was increased to a sailing about every week or ten days, the service employing six steamers in all. The results of the second year's operation, however, were scarcely as satisfactory as those of the preceding year, and the Holland-America Line having decided to establish a line from Amsterdam, an arrangement was reached between this company and the Royal Netherlands Steamship Company, by which the

latter agreed not to send any of its steamers to New York on their own account. Two of its steamers remained in the service of the Holland-America Line for some time, but the depression in the trade to America which commenced in 1882 became so acute in the following year that, after several unprofitable voyages, the Royal Netherlands Steamship Company entirely abandoned its connection with the United States trade in 1883.

The North American Transport Line—Loch Line—started an opposition service from Rotterdam to New York on March 15, 1893, but discontinued it on June 16, 1894, the Holland-America Line taking over the outstanding contracts of the Transport Line. This company again resumed its operations in 1895, but the business proving entirely unsatisfactory, discontinued the service in July, 1897.

On February 2, 1900, Wm. H. Muller and Company and Thomas Ronaldson and Company, Ltd., jointly started a line from Rotterdam to Boston, which in May was changed to the Holland-Boston Line. Regular sailings were maintained by this line until February 9, 1904, when the service was taken over by the British and Continental Shipping Company, but this company was forced to discontinue its operations in December, 1905.

In the meantime the Cosmopolitan Line had been formed by Peter Wright and Sons, of Philadelphia, with the support of the Philadelphia and Reading Railway, and a regular service was maintained between Philadelphia and Rotterdam, mainly with steamers taken for a long period on time charter. The capital of this American company was soon wiped out and the owners of the chartered steamers, a Danish concern, assumed the service. In 1907, however, the Holland-America Line started a Philadelphia service and the competition between these two lines reached such an acute stage that the Danish owners had eventually to go into bankruptcy with the result that in 1909 the Cosmopolitan Line service was taken over by the Holland-America Line.

A new competition from New York developed in 1907 when the New York and Continental Line established regular sailings. This service was assumed in 1909 by the North West Transport Line which changed its name in 1910 to the Uranium Steamship Company. It has maintained throughout a fairly regular freight and passenger service between Rotterdam, Halifax and New York and is still engaged in the same.

One of the early services interested in the trade with Holland was the Neptune Line, which operated from Baltimore in connection with the Baltimore and Ohio Railroad and was controlled by W. and T. W. Pinkney of Sunderland. Although they constructed steamers especially fitted for the trade in which they were employed, they were unable to maintain themselves during the long period of depression in the freight market, and, in 1904, the service and the boats passed into the hands of Furness, Withy and Company, Ltd., who in 1909 transferred their interest to the Holland-America Line.

The Russian East Asiatic Line calls occasionally at Rotterdam with cargo, when the latter is not obtainable to Russian Baltic ports, its final destination, and under an agreement entered into with the Holland-America Line maintains the rates established by that service. The Gans Line also despatches sporadically chartered tramp steamers to Rotterdam, but must procure its cargoes in strong competition with the other lines. The Holland-America Line now maintains a weekly passenger, mail and freight service from New York, which is composed of the highest type of combination cargo and passenger steamers, and in addition to the services already mentioned from Philadelphia and Baltimore also operates a service from Norfolk and Newport News, started in 1899, and from Boston, inaugurated in 1910. It also took over in 1911 the Burg Line's Rotterdam-Savannah service.

Antwerp had its first regular steamship service to New York in the White Cross Line which was established in 1872 by a combination of private ownerships and limited itself to the carrying of cargo only. The Red Star Line was originally started in 1873 from Philadelphia by a group of American capitalists operating under the Belgian flag, but they soon added a service from New York for which they received a subsidy of \$100,000 from the Belgian government. Although the White Cross Line had a number of mishaps, and was to that extent unfortunate, it was the strong competition with the Red Star Line which finally induced the controlling interests to withdraw the line in 1889, the steamers being sold to other owners. The Wilson Line, which established a service from Hull to New York in 1875, took up the Antwerp service in 1891, but the trade did not prove attractive and it was abandoned towards the end of 1895, whereupon two Liverpool ownerships, the British Ship Owners Company, Ltd., and Rankin, Gilmour and Company, took over the

service and established the Phoenix Line. Although operating in opposition to the Red Star Line, the two services did not compete seriously with each other and it was generally recognized that the Phoenix Line was working under an agreement under which it was allowed to charge a somewhat lower rate than the Red Star Line. The Liverpool owners remained in the Antwerp trade until 1911, when the Phoenix Line arranged with the International Mercantile Marine Company, of which the Red Star Line is a branch, to furnish it with the tonnage needed for the service. The Red Star Line had in the meantime established services from Baltimore and Boston and quite recently from the Virginia ports. The Leyland Line, a subsidiary of the International Mercantile Marine Company, has a service from Antwerp to New Orleans, while the Castle Line, an entirely independent concern, has regular despatches from Antwerp to Galveston. It will be seen that with this one exception the Red Star Line is in absolute control of the trade between Antwerp and the United States.

With the development of steam navigation and the increased movement of emigrants regular steam communication was established from the less important ports of Europe, largely with New York, and gradually with the other ports of the Atlantic seaboard. Glasgow had the Anchor and Allan Lines as early as 1856, to which was added the State Line in 1873. But after struggling for 17 years the State Line collapsed and its boats passed into the hands of the Allans. A second Great Western Steamship Company was formed at Bristol in 1872 and eventually had a weekly line to New York, but when the hard times of 1873 came the boats were sold at a heavy loss. The Bristol City Line was established in 1878 with boats suitable to go up the River Avon as far as the city docks, the Great Western Steamship Company having transferred its service to the Avonmouth docks, nine miles below Bristol City, when these docks were opened. This service is still running with very small boats, the only ones able to go to Bristol City proper. In 1873 the South Wales Atlantic Steamboat Company was formed at Cardiff to run to New York, and the Marquis of Bute was one of its largest shareholders. Although he supplied them with coal gratuitously and no dock dues were charged at Cardiff, the company gave up the service after a trial of two years.

The establishment of the Wilson Line from Hull in 1875 has

already been referred to and its maintenance is largely due to the many services which the Wilsons operate from Hull to other European ports, especially those of the Baltic. Leith and Newcastle made several attempts to run freight lines to New York, but they failed; and Leith is now being served by the ports of Philadelphia and Baltimore. Havre, as the leading French port, had its regular steam connection as early as 1850 when the New York & Havre Steam Navigation Company, under contract with the United States government conducted its service with two steamers. The contract with the government which expired in 1857 could not be renewed, but having two new boats on its hands the company attempted to run the service without a subsidy, with the result that after a short trial period the line had to be abandoned.

The Hamburg-American Line made Havre its port of call as early as 1856 and continued to touch there for many years thereafter. In 1862, however, the *Compagnie Générale Transatlantique* was formed and in the seventies and early eighties of the last century the Merchants Express Line, composed of two Danish owners, operated a freight service from New York to Havre. The vessels, however, were too small for the trade and when hard times came were withdrawn. In recent years the Barber Line has been serving Havre with freight boats, stopping there at more or less regular intervals. A line from Bordeaux was also established in 1880 but it had a most difficult career in spite of the support it received from the French government. After making strenuous efforts to maintain itself in the trade it eventually surrendered the same in 1908 to the French Line.

In 1879 the Thingvalla Steamship Company started a service with two steamers from Copenhagen and Christiania to New York. In 1881 three more steamers were added and the line was finally operated as the Scandinavian-American Line. It encountered opposition in the shape of the Stettin Lloyd, which was succeeded in 1886 by the Scandia Line, a branch of the Hamburg-American Line. The latter, however, eventually withdrew this line and transported its Baltic traffic via the main lines serving Hamburg from the various Atlantic ports. The Scandinavian-American Line now had a hard contest to obtain its traffic, because not only Hamburg but Bremen and Hull were competing for all goods destined to Baltic ports, and to save it from utter ruin the service was on October 1, 1898, taken

over by the United Steamship Company of Copenhagen, the largest Danish steamship corporation, operating branch services all over the Baltic. The other ports realizing that the new owners of the service would at all hazards maintain their position in the trade, an agreement was reached in 1905 between the Scandinavian-American Line, the Hamburg-American Line, the North German Lloyd and the Wilson Line, which is still in operation and which has been extended as new services have entered the Baltic trade.

To the Mediterranean ports not less than 15 different companies are engaged in the trade from New York, and after a period of strong competition they are now operating both eastbound and westbound either under a definite agreement or an understanding, which appears to prevent strong and suicidal competition between them.

Steamship Services Comprising Group II

The services composing group II differ materially from the European group, in so far that in most directions they must depend upon their earnings from the United States, and in all but one or two instances consist entirely of freight boats, although of an improved type. With the exceptions mentioned no direct passenger traffic exists and it does not appear probable even with the opening of the Panama Canal that conditions will change materially. As in the trans-Atlantic trade, steamship services followed the sailing vessel lines, when the latter ceased to respond to the requirements of the trade. The sailing vessels did not immediately surrender their field to the steamers, but continued to act as the transporters of the rough classes of cargo, of which the consuming countries were purchasing large quantities. However, in practically all the trades of group II there was an active warfare at one period or another between the different steamship services, the establishing of one service to certain ports only serving to attract others. Most of these new routes were developed at a time when the carrying trade was suffering from one of its many periods of depression and enterprising owners were prepared to risk their capital in the expectation of building up a profitable business eventually. The new-comer in a trade which was barely sufficient to supply cargo to those already engaged in the same was not readily welcomed, even when considered a strong and serious competitor, and in nearly all the trades of group II a

commercial warfare was waged, which but for the financial ability of those engaged in it would have nearly ruined them. The fate of the sailing vessels was therefore quickly settled, for the steamers, increasing in numbers in each of the trades and fighting with each other for such traffic as was available, brought their rates down below a sailing vessel basis, with the result that they quickly absorbed the cargoes on which sailing vessels had been depending, thus leaving them no other alternative than a complete surrender of the business.

Space does not permit a full discussion of the history of each service composing group II, and a short explanation of how the lines developed in each of the trades will answer the purpose of this article.

The first United States and Brazil Mail Steamship Company under the American flag was formed in 1864, and under its contract with the United States post office department was obliged to maintain monthly sailings from New York to St. Thomas, Para, Pernambuco, Bahia and Rio de Janeiro with vessels of not less than 2,000 tons, for which service it received an annual payment of \$150,000. This contract expired in 1876 and, although the company had also received a subsidy from the Brazilian government, it decided to withdraw from the trade and the vessels were sold to the Pacific Mail Steamship Company. The second United States and Brazil Mail Steamship Company was formed in 1883 with a capital of \$1,250,000, and started a service from New York to Buenos Ayres and Rio de Janeiro, receiving from the Brazilian government a subsidy of about \$100,000 per annum and from the United States a payment for the mail actually carried. For many years the business of the company did not enable it to pay its debts, with the inevitable result that it failed in 1893. In July, 1889, the Sloman Line inaugurated a service to Brazilian ports, followed in 1893 upon the failure of the United States and Brazil Mail Steamship Company by a service of the Lamport and Holt Line. The Prince Line entered the trade in 1895 and these three services were actively competing for the business until 1901, when they came to an agreement. The Sloman Line was succeeded in 1903 by the Union Company, and the latter again in 1907 by the joint service of the Hamburg-South American Steam Navigation Company and the Hamburg-American Line, which although at first prepared to continue the traffic and

pooling agreement entered into in 1901, soon had serious differences and a disastrous rate war followed, so much so that each interest endeavored to inflict the greatest possible injury to the other in its various spheres of operation. When peace was finally declared the three lines entered into another reciprocal agreement, under which they were operating until 1913. The Tweedie Trading Company also entered into competition with the established lines to Brazilian ports in 1903 and until 1906 maintained a sporadic service with chartered boats, but discontinued when in 1906 the Lloyd Brasileiro, heavily subsidized by the Brazilian government, commenced to run steamers to New York.

Norton and Son had sailing vessels running to the River Plate as early as 1848, but it was not until 1892 that regular steamship communication was established by the inauguration of a service by the Norton Line. In the autumn of 1893 the Lamport and Holt Line started a service to the River Plate and worked on amicable terms for a year with the Norton Line. Then the Prince Line put on a direct service and a rate war ensued, which lasted 18 months and which culminated only after the resources of the lines had been severely taxed. The Plate conference was formed in 1895 and was maintained until August, 1899, when the Houston Line entered into competition. This line was taken into the conference without a fight. In the latter part of 1904 the Barber Line, backed by two Liverpool owners, commenced to trade to the Plate, and joined in 1905 by the American Rio Plata Line, the two continued to operate in opposition to the other services. Competition between these services was very keen for many years, but for the last two years all the lines to the Plate appear to be coöperating under a friendly agreement. To the west coast of South America the Merchants' Line (New York and Pacific Steamship Company) of W. R. Grace and Company and the West Coast Line, of Wessel, Duval and Company, have had practical control of the direct traffic for many years. Recently the New York and South America Line entered the trade, and while no agreements exist between these three lines they follow each other's tariffs very closely, the rates being generally determined by the Merchants' Line as the dominant carrier in the trade.

On April 27, 1883, Edward Perry and Company chartered a steamer to Shanghai or one or two ports in Japan, and this was the

first steamer to carry a cargo of general merchandise from the United States to the Far East. Edward Perry and Company repeated this operation until they established a fairly regular service, which was followed in 1887 by the Barber Line. The first regular line, however, to and from the Far East was created in the spring of 1898 by Sir T. B. Royden, of Liverpool, the Hamburg-American Line, and Rob. M. Sloman and Company, of Hamburg, jointly under the style of the United States and China-Japan Steamship Line. Edward Perry and Company decided to fight this service and for this purpose secured several boats on time charter, but competition bankrupted them in a short time. In 1902, however, the American-Asiatic Steamship Company and the American and Oriental Line started competing services which led to a serious rate war lasting until 1904, when a conference agreement was reached which has been continued until the present.

In the India trade, both outwards and homewards, the Hansa Line of Bremen and the Bucknall Line of London, under the trade name of the American and Indian Line, have always worked in harmony; while in the outward service to Java a joint line composed of the Hansa of Bremen and the German Australian Steamship Company of Hamburg is being maintained.

The Merchants' Line of sailing ships between New York and Cape Town, Algoa Bay, Port Natal and Delagoa Bay, was established in 1867 and maintained until 1893, when the American and African Line, comprising Donald Currie and Company and Bucknall Bros. of London, inaugurated steamer despatches. At the same time the Union Company of London and the Clan Line, then prominent in the African trade from the United Kingdom, established a steamship line from New York and the two services promptly formed a conference agreement, which although only of an oral nature at present has been continued ever since. The Hansa Line of Bremen started an African line in 1901 and after a violent, although short, rate war was admitted to the conference. The attempts a few years later on the part of the Prince and Houston Lines to secure a share of the African trade precipitated a spirited contest between these lines, and the conference but ended eventually in their being admitted to the conference.

In the Australian trade competition was especially severe and of long duration. Prior to 1898 this trade was in the hands of

several New York merchants, who despatched sailing vessels to Australasia until the appearance of the American and Australian Steamship Company, which established a monthly service and despatched its first steamer on May 19, 1898. The merchants in question immediately formed the United States and Australasia Steamship Company and a bitter rate war ensued, lasting until the early part of 1899, when an arrangement was reached between the two competing services. This agreement was mainly brought about by the appearance of the Tyser Line, which despatched a steamer on September 25 and another on November 4, 1898, and announced regular departures thereafter. The two older services then tried their utmost to drive the new-comer out of the trade. Early in 1900, however, they had a falling out with each other and each line operated independently until 1902, when all three services came to an understanding. In the meantime the freight war had been an extremely costly one, since rates were brought down periodically to \$2.50 per ton and less. In 1907 the Tyser Line, however, came to an arrangement with the German Steam Navigation Company, Hansa of Bremen, and the German Australian Steamship Company of Hamburg, and these three companies then formed the United Tyser Line, announcing departures on fixed sailing dates every three weeks, which measure disturbed the other two services considerably and put an end to the existing understanding. The two older services started to coöperate against the United Tyser Line and, while during 1907 rates were fairly well maintained, competition in the following year became much keener and rates again fell to ruinously low levels. This situation continued until the present conference agreement was started in January, 1909, and under its terms all three services are operating at the present time.

Steamship Services Comprising Group III

In the Caribbean trade the steamship services differ materially from those contained in the other two groups. Excluding the Canadian ports on the Atlantic coast, the West India Islands and the neighboring ports are our nearest foreign customers and our trade with them dates back to colonial days. The consuming ability of the West India Islands being limited, the smaller sailing vessels, especially the American schooners, were able to maintain their posi-

tion rather longer than in the trade of the other groups, but the sphere of their operations has gradually been diminished by the encroachment of vessels propelled by steam, especially those carrying cargoes of bananas, which developed as rapidly as the consumption of this fruit increased in the United States. Even today, however, small sailing vessels are still used for the transportation of rough goods and as regards ports where the facilities do not admit the rapid handling of cargo such as the steamers require. The nearness of the ports between which the steamers operate does not necessitate the great speed of the trans-Atlantic liners, and while the vessels employed have gradually increased in size and speed, they are only of moderate dimensions although quite sufficient for the present demands of the trade. In the winter season, also, some of the large trans-Atlantic liners have in recent years found profitable employment in making passenger cruises to some of the more attractive of the islands and to the Panama Canal, thus affording Americans the opportunity of visiting these interesting places under most agreeable conditions.

The trade to the Bermudas was initiated in 1868 and various attempts to run a successful steamship line to those islands failed utterly until 1873 when the Quebec Steamship Company entered the field and established a regular service. Several unsuccessful efforts were made thereafter by other lines to procure a share of the trade with the Bermudas, but the Quebec Steamship Company was strong enough in every instance to prevent its competitors from establishing themselves permanently in the business. Active opposition and severe competition, however, developed in 1908 when the Royal Mail Steam Packet Company of London arranged to place a fast passenger steamer on the route and when at about the same period New York interests formed the Bermuda Atlantic Steamship Company, which chartered a small but fast passenger steamer for the service. Ruinous competition followed which soon drove the Bermuda Atlantic Steamship Company from the field. At the end of the year a conference was arranged between the Royal Mail Steam Packet Company and the Quebec Steamship Company which resulted in having all rates restored to their former basis. The Bermuda government has quite recently entered into a ten-year contract with the Canada Steamship Lines, Ltd., to run a steamer weekly between New York and Bermuda of double the size of the

Bermudian, the largest boat of the Quebec Steamship Company, for which service the government of Bermuda will pay an annual subsidy of about \$80,000. The islands of Bermuda cover an area which is smaller in extent than Staten Island, while the resident population does not exceed 17,000 souls, and it remains to be seen whether the tourist traffic can be sufficiently developed to operate successfully, even with the subsidy in question, a steamer costing \$1,700,000, and to support at the same time the other two lines already established in the business.

The trade with Venezuela was inaugurated in 1877 by the Quebec Steamship Company, the steamers sailing every three weeks for LaGuayra and stopping at San Juan, Porto Rico, and St. Thomas. The subsidy which the Venezuelan government had paid to the Quebec Steamship Company was procured in 1879 by Mr. Boulton, who had been running fast sailing packets to Venezuelan ports. The Red "D" Line was formed and is today in practical control of the Venezuelan ports, having likewise secured under the postal aid law of 1891 special aid from the United States government for the transportation of the mail.

The Quebec Steamship Company after the loss of the Venezuelan subsidy continued the service to Porto Rico and the Windward Islands, increasing it gradually and making Trinidad its terminal port. Several opposition services were attempted, but failed, and at the moment this trade is divided between the Quebec Steamship Company, and the Trinidad Trading and Shipping Company, operating under a more or less comprehensive agreement.

In the Porto Rico trade the New York and Porto Rico Steamship Company occupies the most important position. As in almost every other trade it had to contend with many competitors, but in addition to the Red "D" Line, which calls at Porto Rico mainly with passengers, the Bull Insular Line serves the Island of Porto Rico. After a severe rate war these interests have quite recently come to a friendly agreement.

The trade to the Isthmus of Panama developed at an early date, influenced largely by the rush of passengers to the California gold fields. The United Mail Company was established in 1848 to meet the requirements of this traffic, and in the same year was followed by the Empire City Line, which put two vessels of about 1500 tons into service. These boats were bought in 1850 by the

Pacific Mail Steamship Company, likewise founded in 1848, and were employed on the Atlantic coast in opposition to the United Mail Company. The latter retaliated by starting a service on the Pacific coast in competition with the Pacific Mail. The struggle between these two companies finally ended in a purchase by the United Mail of the vessels engaged by the Pacific Mail on the Atlantic coast, the latter taking over the ships employed on the Pacific coast by the United Mail Company. The United Mail discontinued its service in 1859. Interests connected with the Pacific Mail Company constructed the railroad across the Isthmus of Panama, which was completed in 1855, and in the same year the Panama Railroad and Steamship Company started to operate both on the Atlantic and Pacific coasts in order to supply the railroad with the freight which it required for its successful operation. It is still engaged in this service, but the construction of the Panama Canal by the United States government attracted other steamship lines to this trade, and the Royal Mail Steam Packet Company, the Atlas service of the Hamburg-American Line and the United Fruit Company now maintain a most efficient and frequent service between New York and Colon. The Munson Line has also carried considerable freight from Baltimore to Colon intended for the construction of the canal. All these lines are apparently coöperating in a friendly spirit.

The Atlas service of the Hamburg-American Line and the Royal Dutch West India Mail also divide between themselves the trade to Hayti, while the important island of Jamaica is served by the Atlas Line, the Royal Mail Steam Packet Company and the United Fruit Company, operating together under a friendly agreement.

The shipment of bananas from the Caribbean countries has assumed important proportions. In the early eighties a trial with steam vessels was made and proved so successful that the schooners engaged at that time in the traffic were quickly driven out of the business. Competition between the various importers of bananas became exceedingly strong and the hazards of the business were such that it resulted in the end in an amalgamation of the different interests to such an extent that the banana trade is now practically in control of the United Fruit Company, a Boston concern organized in 1899. Its only serious rival is the Atlantic Fruit Company.

Of all the trade areas contained in group III the island of Cuba, the pearl of the Antilles, is the most important one, and its trade

with this country has vastly increased since it became an independent nation and closer relations were established with the United States. Passing over various enterprises undertaken by private firms between 1862 and 1865, a direct service was established in the latter year by the Atlantic Mail Steamship Company, which purchased several steamers owned by private firms, including some that had previously been running in the Havana trade. The line was maintained for about seven years, when competition and other causes put the company into bankruptcy and the vessels were sold to satisfy claims. F. Alexandre and Sons began to stop its steamships at Havana on the voyage to Mexico in 1869 and had several vessels in that trade. James E. Ward and Company, who had engaged in the West Indian trade since 1856, also established a regular steamship service to Havana in 1866, with two chartered vessels, but did not go into the regular passenger traffic with their own vessels until 1877. The rivalry between the Alexandre Line and the Ward Line became at that time very pronounced, and in 1881 the Wm. Cramp and Sons Ship and Engine Building Company constructed for the Alexandre Line a steamer, similar in style, power and dimensions to the best vessel of its competitor, in order to enter into strong rivalry with the Ward Line. The contract which the Alexandre Line had with the Mexican government for the carrying of the mail expired at that time and was not renewed. But having large freight contracts of some duration to fulfill the line chartered two foreign steamships to cover the same, sold one of its steamers to the Pacific Mail Steamship Company and two to the Ward Line, whereupon the Alexandre Line went out of business and the field was left entirely to the Ward Line. With the acquisition of the Alexandre Line the service of the Ward Line was extended and a number of ports were added to its itinerary both in Cuba and Mexico. In the meantime James E. Ward and Company had transferred their steamers and interest in the Cuban trade to the New York and Cuba Mail Steamship Company, which was incorporated under the laws of the state of New York in 1881. But in 1907 Charles W. Morse obtained control of the company and the New York and Cuba Mail Steamship Company of Maine was incorporated under the laws of the state of Maine.

The Ward Line developed rapidly with the increasing demands of its various trades, but it was not allowed to enjoy undisputed

possession of the ports with which its lines were connected. The Herrera Line was soon driven out of the trade by the superiority of the Ward Line, and the Johnston Line for Mexican ports, as well as the Larrinaga Line for Cuban ports, met the same fate. The Munson Line arrived at an agreement with the Ward Line for a territorial division of the business, and is still actively engaged in the Cuban trade. The Hamburg-American Line also began a service of high class steamers to Havana, but withdrew from it after a few months. At the present time the American and Cuban Line is in competition with the Ward Line, which may likewise be said of the direct service between New York and Santiago of the United Fruit Company and the Hamburg-American Line. The Spanish Line some years ago had an understanding with the Ward Line, giving the latter virtual control of the traffic, but this was abrogated and at the present time no agreements exist between the Ward Line and the other transportation companies engaged in the trade between American ports and ports in Cuba, Mexico and the Bahamas served by the Ward Line.

Summary

In the European trade, agreements between the representatives of the steamship lines in New York came into existence as far back as 1868; they adopted for their operations the title of "Conference," and with repeated modifications and additions these arrangements exist today divided into different groups and in accordance with the various trade requirements.

These conferences are intended to regulate both the passenger and freight traffic and in some instances include the fixing of minimum rate agreements. In many other cases, however, as, for example, in the Transatlantic Associated Freight Conferences and in the Caribbean Conference the declared object is the consideration and adjustment of all non-competitive matters appertaining to the lines' general interest, which shall simplify the conduct of the business and the relations between shippers and their representatives and the connecting carriers.

In the "long voyage group" committees have been formed at New York at various periods to carry into effect the arrangements which the respective principals have entered into between themselves. The New York committees administer the traffic from the

United States in their respective trades under instructions received from their principals, and while in some services the New York committee has full authority to regulate freight rates as its best judgment may dictate, in others it has instructions to confer on such matters with the head offices.

The historic development of the different lines composing the three groups demonstrates conclusively that they had to contend at various periods with determined competition, which brought about expensive and sometimes disastrous rate wars, but which in the end always resulted in the disappearance of the competition, the absorption of the weaker concern, or a friendly agreement between the opposing lines. It was never the purpose in all these fights to control particular branches of trade, but the process of fusion is one that is proving irresistible in various industrial undertakings and in the steamship trade prevents disturbances and cut-throat competition. Unsettled traffic conditions are demoralizing and destructive and disorganize rather than help trade. They are extremely costly to the steamship companies, nor do they offer to the individual shipper or to the companies a permanent advantage. Those engaged in the steamship trade are not governed by altruistic motives. As is the case with all business men self-interest will influence their actions, but in the end it is the aim and purpose of every service further to develop and increase its business and to accomplish this aim the closest coöperation with its constituents, the shipping public, is absolutely essential. The phenomenal increase in the size and number of the steamers employed by practically all the lines engaged in the American foreign trade and their superior efficiency are the best evidence that the steamship lines have been guided by this consideration during the many years of their existence.

STEAMSHIP LINE AGREEMENTS AND AFFILIATIONS IN THE AMERICAN FOREIGN AND DOMESTIC TRADE

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The recent investigation of shipping combinations by the Committee on the Merchant Marine and Fisheries of the House of Representatives showed that, as regards nearly every trade route in both the foreign and domestic commerce of the United States, practically all the well-established steamship lines have either been consolidated through stock ownership, or work in harmonious coöperation through written or oral agreements and conference arrangements. Considerably over 100 such agreements and consolidations, affecting the commerce of this country, were found to exist. No attempt will be made to discuss these agreements from the standpoint of their historical development, their advantages and disadvantages, and their administration and enforcement, since these subjects are covered by other articles in this volume. Instead, the purpose is to outline the various agreements, understandings and other affiliations as they existed when the Committee on the Merchant Marine and Fisheries concluded its investigation in 1913, and to present in connection therewith, as far as the limits of an article permit, (1) a brief description of the essential features of existing coöperative arrangements, and (2) a statement of the conclusions which may be drawn from a study of all the agreements and affiliations considered collectively.

AGREEMENTS AND CONFERENCES IN THE AMERICAN FOREIGN TRADE

In view of the large number of such agreements and conference arrangements—80 being described in the report prepared for the Committee on the Merchant Marine and Fisheries¹—only a brief de-

¹ *Report on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade*, prepared by S. S. Huebner and published as volume iv of the "Proceedings of the Committee on the Merchant Marine and Fisheries in the Investigation of Shipping Combinations under H. Res., 587." For a full description of the numerous steamship agreements and conference arrange-

scription of the same can be attempted in an article. A comprehensive understanding of the nature of these numerous agreements can be best obtained by considering the same as they exist in the following six geographic divisions of this country's foreign trade. This method has the advantage of showing how universally the numerous groups of regular steamship lines are governed in their respective spheres by coöperative agreements which have for their fundamental purpose the control of (1) competition between the signatory lines, and (2) competition from non-conference lines which may be seeking to share the trade.

The North Atlantic Trade, Covering all Ports of Europe.—Practically all the well-established lines connecting north Atlantic ports of the United States with those of the United Kingdom, north Europe and the Mediterranean are parties to numerous freight agreements covering, in one way or another, nearly every sphere of the American-European trade. In fact, over 40 regular trans-Atlantic lines are parties in their respective European trades to at least 20 agreements involving the freight traffic. These agreements may conveniently be classified under four groups, viz., (1) minimum rate agreements in the trade to and from the United Kingdom; (2) agreements governing the trade between German, Dutch, Belgian and French ports and the United States; (3) Baltic pool agreements; and (4) Mediterranean agreements.

As regards the traffic between Canadian and north Atlantic ports of the United States and the four leading ports of the United Kingdom—Liverpool, London, Glasgow and Manchester—all the regular lines, 20 in number, are parties to minimum rate understandings, both westbound and eastbound. Under these agreements minimum class and commodity rates are filed with the understanding that the lines will not take freight during a stipulated period of from thirty to sixty days at less than the agreed minimum. Such minimum

ments in the various spheres of this country's foreign trade the reader is referred to the first eight chapters of this *Report*, dealing respectively with: "Passenger Agreements in the American-European Traffic," pp. 21-52; "Freight Agreements in the American-European Trade," pp. 53-90; "Agreements in the American-African Trade," pp. 91-102; "Agreements in the American-Australasian Trade," pp. 103-108; "Agreements in the American-Asiatic Trade," pp. 109-152; "Agreements in the Trade between the United States and South America" pp. 153-188; "Agreements in the American-Mexican and Central American Trade," pp. 189-204; "Agreements in the American-West Indian Trade," pp. 205-238.

rates, however, do not apply to the heavy eastbound bulk traffic, consisting of grain, flour, cotton and similar commodities, but are confined to the high class freight on which the shippers as well as the lines are anxious to have fixed rates equally applicable to all. No penalties are imposed for infractions of the agreements, but it is distinctly understood that the lines are prohibited from assuming the right to change any of the minimum rates until after the thirty or sixty days have expired.

The westbound traffic from German, Dutch, Belgian and French ports to the United States is regulated by a number of agreements. In the first place the Hamburg-American, North German Lloyd, Holland-America and Red Star Lines entered into an agreement (commonly known as the N. D. L. V. Westbound Freight Agreement) as far back as 1894. This agreement comprised the entire traffic of these lines from ports of the north German seacoast, Holland and Belgium to ports of the United States, and had for its purpose the bringing about of a "mutual understanding regarding freight rates to be maintained on a corresponding basis and to preserve to each separate company its share of the total income from the freight traffic." Although modified in its original details, this agreement is observed by the lines at present. The N. D. L. V. also effected agreements (1) with the *Compagnie Générale Transatlantique*, whereby the port of Havre is reserved to the French line for both freight and passenger business by direct line to and from the United States, this line in turn agreeing not to call at any port between Cronstadt and the French frontier, either for freight or passenger business except with the consent of the N. D. L. V., and (2) with the *Austro-Americana*, whereby this line agrees not to establish any freight or passenger service between Bordeaux or ports north of Bordeaux and the United States and Canada, the N. D. L. V. lines in turn declaring their intention not to establish lines from the Adriatic to North America.

From Antwerp the only two important lines operating to the United States are the Red Star Line with services to New York, Boston, Philadelphia, and Baltimore and the Leyland Line to New Orleans, both being subsidiaries of the International Mercantile Marine Co. Minor outside lines, it is reported, are able to operate their services only by reason of differential rate arrangements with the other lines. The regular lines operating between Rotterdam and the United States are the Holland-America, Russian East Asiatic and Uranium Lines. While

the last line is in open competition with the others, the first two have effected a traffic agreement whereby the Russian East Asiatic Line declares its intention to operate only to Russian ports, and that if it finds it necessary to call for freight at Rotterdam when other cargo is lacking, it agrees to maintain the rates of the Holland-America Line.

Unlike the practice prevailing among the lines operating to the ports of the United Kingdom, it appears that the continental lines have not entered into conference arrangements for the establishment of minimum rates in the eastbound traffic. Reference should be made, however, to the agreement between the Hamburg-American Line and the North German Lloyd whereby these lines reserve to each other, respectively, the ports of Hamburg and Bremen as regards sailings from all American ports north of Savannah.

All the lines in the trade between north Atlantic ports of the United States and ports on the Baltic—Hamburg-American, North German Lloyd, Wilson and United Steamship Lines—are parties to pooling agreements covering both the eastbound and westbound traffic. In the eastbound trade four separate pooling arrangements exist: one pertaining to flour shipments from Boston, New York, Philadelphia, Baltimore and Newport News to Russian and German ports on the Baltic as well as to ports of Denmark, Norway and Sweden; one to eighteen leading commodities coming under the head of "provisions," from and to the same ports; one to shipments of certain articles classed as "agricultures;" and the last to eighteen other important articles of export, comprising feed-stuffs, heavy grain products, oil cake, etc. In the westbound business the lines also operate under a pooling agreement similar in character to that adopted in the eastbound traffic. All the lines seek to charge the same rates in both directions except where they cannot maintain their allotted percentages, in which case it is expected that they will pursue a policy of forcing the flow of traffic by adjusting rates until the full percentages are secured.

Turning now to a consideration of the traffic to and from Mediterranean ports, we find that practically all the lines on nearly every trade route coöperate under some form of rate or traffic agreement. Reference will be made here only to the most important of these agreements, viz., the one governing the trade to and from Italian ports. With the exception of the Fabre Line, all the regular steamship lines engaging in the carrying trade between Italy and the United States are

parties to agreements covering both the westbound and eastbound traffic. The westbound agreement was entered into by two groups of lines—the six Italian Lines on the one part and the Anchor, Hamburg-American, North German Lloyd and White Star Lines on the other—and assures to each group 50 per cent of the freight cargo loaded at all ports of Italy and Sicily to all ports in the United States and Canada. Rates of freight are definitely prescribed for weight and measurement tonnage, and a deferred rebate of 10 per cent is granted to shippers who agree to support only the lines which are parties to the agreement. This rebate is payable by the secretary of the Mediterranean Conference for a period of six months, and it is expressly provided that no rebates will be due to shippers until at least six months after the period for which they are computed, and that the allowance shall be sacrificed by any shipper who in the meantime shall have supported a competing steamer. In the eastbound trade the lines were reported to the committee as having an understanding as to minimum rates of freight. This understanding is not in writing, but the agents of the lines meet at irregular intervals on the American side to determine rates which, when established, are changed only by common consent.

The limited space at our disposal will permit merely a reference to agreements governing the north Atlantic passenger traffic. Suffice it to say that at the time of the committee's investigation all the prominent passenger lines were parties to agreements governing the north Atlantic passenger traffic to and from British, north continental and Mediterranean ports. Twenty-eight lines, comprising all the large ones, were found to be affiliated in their respective spheres as regards their passenger business through membership in four conferences and by virtue of at least twelve agreements.² Considered in their entirety, these agreements reveal a situation in the passenger traffic easily comparable, from the standpoint of the comprehensiveness of the agreements, with that presented in the north Atlantic freight traffic.

The Asiatic Trade.—Direct steamship services in this trade, both eastbound and westbound, divide themselves into five groups, viz., (1)

² For a detailed account of these agreements and conference arrangements see the chapter on "Passenger Agreements in the American-European Traffic," pp. 21-52 of the *Report on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade*.

the lines operating between the American Atlantic seaboard and the Far East, particularly via the Suez; (2) the lines connecting New York with the ports of India; (3) the lines operating between New York and the Dutch East Indies; (4) the trans-Pacific lines trading to and from the ports of the Far East; and (5) the Calcutta-Pacific traffic via the "Calcutta Lines" between Calcutta and Hongkong for transshipment by the trans-Pacific lines between Hongkong and the American Pacific coast.

Seven direct lines maintain a regular service between the Atlantic ports of the United States and the Far East. Exclusive of the Isthmian Steamship Line (a private carrier operating for the United States Steel Corporation), all of the lines are parties to, or work in conformity with, three agreements. In the eastbound trade the several lines have a definitely prescribed allotment of sailings, the same being distributed as nearly as possible at regular intervals throughout the year, and the order of sailing, being mutually arranged by the agents in New York. Additional sailings are permitted only upon the consent of two-thirds of the signatories, based on their respective number of sailings. Westbound sailings are likewise definitely allotted to the several lines, and should the aggregate number of sailings prove too many or too few for the trade the agreement provides the order in which each line's sailings shall be reduced. The booking of freight, the movement of the steamers, the payment of commissions to agents, and the transmission of communications are also carefully regulated by the agreements.

On the outward voyage from the United States rates are controlled by the agents in New York, and all changes in the tariffs must be approved by unanimous consent of the agents in their New York Conference. Westbound rates, on the other hand, are arranged by the owners in consultation with their agents at eastern ports, these agents in most cases being the principal merchants at the several ports of call. Net freight earnings of all the steamers loaded from Atlantic ports of the United States to the Far East, and vice versa, are pooled under the terms of a separate agreement, and deferred rebates are also allowed in the trade westbound from all the ports of the Far East, amounting to 10 per cent on all rates with the exception of a limited number. It is also noteworthy that in the westbound agreement the signatories bind themselves "to abstain from attacking or competing for any trade in which any other of the signatories may at present be engaged."

Four conferences are maintained for the purpose of administering the provisions of the eastward, westward and pooling agreements, viz., the New York Conference, the Hongkong and Singapore Conferences, and the London Conference. Each conference has its own functions to perform. The New York agents of the lines meet in the New York Conference, and control the making of eastbound rates and tariffs. Similarly, the eastern representatives of the lines, meeting in the Hongkong and Singapore Conferences, have the same jurisdiction over the westbound traffic as that exercised by the New York Conference in regard to the eastbound voyage. The London Conference is composed of the owners of the several lines and not only exercises general supervisory control over the other conferences but determines the schedule of sailings to be adhered to and controls and administers the pooling arrangement.

With respect to the trade between the Atlantic coast of the United States and India, two lines—the Hansa Line of Bremen and the Bucknall Steamship Lines, Ltd., of London—handle the direct traffic, and operate a joint service, both eastbound and westbound, under the name of the American and Indian Line. According to the understanding between the lines the westbound tonnage must be provided equally by the two companies, but in the outward service the two lines, in the order named, furnish the tonnage in the respective proportions of 75 and 25 per cent. Freight rates on the outward voyage are fixed and changed by the agents in India in consultation with the London principals. The earnings of the steamers westbound are pooled and after allowance for certain payments, are equally divided.

To Java the direct service is conducted under a joint arrangement between the Hansa Line and the German-Australian Steamship Co. This arrangement was effected by the Hansa Line with the German-Australian Line because of the latter's European service to Java and the fear that trouble would ensue if an agreement could not be reached. According to the terms of the agreement the sailings are allotted in the following order: six steamers are furnished annually by the Hansa Line, then the other line supplies six in case that many are required, and if more than twelve steamers are needed the excess is furnished by both companies in turn.

Turning now to the trans-Pacific lines operating between the Pacific coast of the United States and Asiatic ports, we find a number of agreements involving practically all the well-established lines. In

the eastbound trade all the lines,³ except the Dollar Steamship Co. and the "Blue Funnel Line" (which seceded only recently), are members of two conferences, one consisting of the Hongkong and China agents of the lines and called the "Trans-Pacific Tariff Bureau (Hongkong and China Branch)," and the other consisting of the Japanese agents of the lines and called the "Trans-Pacific Tariff Bureau (Japan Branch)." These conferences have jurisdiction over all Chinese and Japanese ports and do not overlap each other; nor is there any agreement, it was testified, between the Trans-Pacific Tariff Bureau in the eastbound trade and the similarly named bureau in the westbound trade, although nearly all the lines are parties to both.

The essential feature of the Japan Branch of the bureau is the deferred rebate system adopted by the lines. The rebate allowances apply to all articles except raw silk, silk goods, cement, lumber and timber, and in some instances amount to 20 per cent of the rate. The Hongkong and China Branch of the bureau has apparently made no arrangement in its tariffs for the granting of deferred rebates to loyal shippers, the chief reason being, it is said, that shipments at Hongkong are made largely by Chinese firms which cannot be watched like exporters from Japan, who are registered and whose shipments can be traced.

In the traffic westbound from Portland, Tacoma, Seattle, Victoria, Vancouver and New Westminster to Asiatic common points, seven lines⁴ are operating under a tariff agreement known by the name of the "Trans-Pacific Tariff Bureau (Westbound)." This bureau is not a corporation and has no officers other than the joint agent who issues the tariff. While there is apparently no penalty for failure on the part of any line to abide by the tariff, and while the tariff may be changed whenever any line considers it advantageous to do so, the committee was advised by one of the carriers that the rates charged by the several lines for the same service are usually uniform.

³ Great Northern S. S. Co., Pacific Mail Steamship Co., Nippon Yusen Kaisha, Toyo Kisen Kaisha, Osaka Shosen Kaisha, Canadian Pacific Ry. Co.'s Royal Mail Steamship Co., the Bank Line, Blue Funnel Line (composed of China Mutual Steam Navigation Co. and Ocean S. S. Co.), and the Dollar Steamship Co.

⁴ Canadian Pacific Ry. Co.'s S. S. Lines, Nippon Yusen Kaisha, China Mutual Steam Navigation Co., Ocean Steamship Co., Bank Line, Osaka Shosen Kaisha, and Great Northern S. S. Co.

The membership of this Trans-Pacific Tariff Bureau, it should be noted, is confined to the north Pacific coast lines, and does not include the two lines operating from San Francisco to the Far East, viz., the Pacific Mail Steamship Co., and the Toyo Kisen Kaisha. These two lines, however, have a traffic agreement for the shipment of through cargoes to the Orient and maintain a joint schedule of sailings providing for seven steamers for the Pacific Mail and four steamers for the Toyo Kisen Kaisha. Both companies furnished their tariffs to the committee and, while each company issues its own tariff, the same were found to be identical, and also agreed in all respects with the rates enumerated in the tariff used by the seven lines operating from north Pacific coast ports. There is also an understanding between the Pacific Mail and the north Pacific coast lines as to a territorial division with respect to the Asiatic passenger traffic, whereby the first company agrees not to solicit business from points north of the California and Oregon state line and the northern lines agree not to solicit business south of that boundary.

Lastly, reference should be made to the so-called "Calcutta-Pacific Conference," which has been in existence in one form or another for about 20 years and which governs the traffic from Calcutta to Hongkong for transshipment to the United States. The agreement underlying this conference was entered into by the north Pacific coast Lines (already enumerated), the Pacific Mail Steamship Co., and the Toyo Kisen Kaisha on the one part, and the Indo-China Steam Navigation Co., and the Apcar Line (known as the "Calcutta Lines") of the other. The signatories agree to adopt a definite scale of rates, and the freight money received on merchandise coming within the scope of the agreement is distributed, after certain expenses of transshipment have been deducted, on the basis of one-third to the Calcutta Lines and two-thirds to the trans-Pacific lines. The agreement also provides for the payment of deferred rebates on shipments of gunnies and jute, the payments being made at Calcutta only by the agents of the Calcutta Lines.

The African Trade.—All the steamship lines engaged in the direct trade from the United States to ports of South and East Africa—the American and African Steamship Line (operated jointly by the Bucknall Steamship Lines Ltd. and the Union Castle Mail Steamship Co.), the Union Castle Mail Steamship Co., the Union Clan Line, the Hansa Line of Bremen, the Houston Line and the Prince Line—oper-

ate under the terms of an oral pooling arrangement. Steamers are furnished by each line in turn as the trade may require, and two-sevenths of the necessary tonnage is furnished by the Union Castle Mail Line and one-seventh by each of the other five lines. Freight money is pooled and the rates for the lines are determined in London, being sent to New York and put into effect by the agents there. The agreement, however, applies only to the outward voyage, and it is every line's own problem to get the steamers, or substitutes therefor, back to New York, especially since there is practically no return cargo to the United States. Representatives of the lines testified that it is the understanding between the lines that rates from the United States shall be maintained as nearly as possible on the same level as those charged from British and continental ports. Two conferences exist in the trade, viz., the London Conference, consisting of the principals of the lines, which controls the order of sailings and issues all rates; and the New York Committee, consisting of the agents at that port, who meet weekly to consider the position of the steamers, to report contracts with shippers and to put into effect such instructions as may have been received from London.

No regular line service was operated between the United States and the west coast of Africa until 1911. In that year three German lines combined for the purpose of operating a regular service in this trade. Since the trade in its initial stages was bound to be unprofitable, these lines felt that it was undesirable to develop it at heavy expense and later have the English lines possibly share it without the consent of those who did the pioneering. Consequently the German lines invited the English lines which would likely have been their future competitors in the business to become parties to an agreement. This agreement was entered into by the three German lines on the one part and four English lines on the other, and was made for a period of seven years, thereafter to be continued subject to six months' notice on the part of each group of lines. If either group starts a new service from any other American port than New York to the west coast of Africa, or vice versa, such group must invite the other group to participate in the undertaking on the basis of the existing agreement. Freight and passenger rates are fixed by mutual agreement and are binding until changed, and the agreement expressly states that freight rates from New York, either direct or via England or Germany, shall be at the ordinary tariff rates from England and Germany to the west coast

of Africa. Sailings are so arranged that a British and German steamship shall leave alternately. Moreover, the freight and passenger business of the lines is pooled in such a manner that, after giving the carrying steamer 25 per cent thereof, the balance is divided equally between the two groups of lines.

Shipments from the United States to the north coast of Africa are very limited, and reach their destination only by transshipment at the ports of London, Liverpool, Havre, Hamburg, Naples, Genoa, Cadiz and Barcelona. Return freight to the United States is also handled by transshipment at these ports. Nearly all of the twelve lines engaged in the trade from New York advised the committee that their shipments are very few and that they have no fixed schedule of rates.

The Australian Trade.—Three lines handle the direct traffic from the Atlantic seaboard of the United States to ports in Australia and New Zealand, viz., the American and Australian Steamship Line (owned and controlled by Messrs. Bucknall Bros. and several other English interests), the United Tyser Line (a combination of the Tyser Line with the Hansa and German Australian Cos.) and the United States and Australasia Steamship Co. (an American corporation). An oral pooling agreement governs the operations of these lines. According to the arrangement steamers of the several lines, as far as practicable, are loaded in turn and the total required tonnage is furnished by the several lines (in the order above named) in the respective proportions of $42\frac{1}{2}$ per cent, 35 per cent and $22\frac{1}{2}$ per cent. Profits and losses are pooled and divided on the basis of the same percentages. Rates are established by agreement, can be changed only by unanimous consent, and are made with reference to the fluctuations in European rates to Australia and New Zealand. The New York representatives of the lines meet in conference at the different offices of the companies at irregular intervals and determine the rates, arrange the order of sailings, and settle all other matters which vitally affect the interests of the lines in the trade. All the lines reported that their service is an outward one only, and that they do not carry return cargo directly to New York.

The White Star Line, operating via Liverpool, is the principal carrier of indirect shipments from the United States to Australia. This line according to reports submitted to the committee, has an oral understanding with the three direct lines operating from New York

whereby its measurement cargo from New York via Liverpool for Australia shall not exceed one-fourth of the aggregate measurement cargo taken by all four lines. The line, however, is not a party to any pooling arrangement with the other three lines, and can quote its own rates.

The import trade from Australia and New Zealand to American Pacific coast ports is controlled by the Oceanic Steamship Co. and the Union Steamship Co. of New Zealand. The cargo consists of a very limited variety of articles and the current rates reported to the committee were the same for the two lines. The consul general at Sidney reported that "the steamship lines engaged in the carriage of freight from Australia to the United States are practically all working on a system of agreements to prevent rate cutting."

The South American Trade, including the West Coast of Central America and Mexico.—Regular steamship line services between the United States and South America, both southbound and northbound, may be classified under eight groups as follows:

- (1) Between New York and Venezuela and Curacao.
- (2) Between New York and the Caribbean ports of Colombia.
- (3) Between New York and the Amazon district.
- (4) Between New York and central and southern Brazilian ports.
- (5) Between New York and the River Plate.
- (6) Between New York and New Orleans and the west coast of South America via Panama.
- (7) Between the Atlantic seaboard of the United States and the west coast of South America via the Straits of Magellan.
- (8) Between the Pacific ports of the United States and the west coast of South America.

With the exception of the last two groups, nearly all the lines in each of the above mentioned trade routes were, at the time of the committee's investigation, operating under agreements or tacit understandings for the maintenance of rates. While the lines comprising the last two groups have apparently not entered into arrangements with each other, they appear to be operating on friendly terms and avoid rate-cutting practices. Thus of the three lines controlling the traffic from New York to the west coast of South America via the Straits of Magellan,—viz., the Merchants Line, the West Coast Line, and the New York and South America Line—the Merchants' Line is the

dominant carrier in the trade, its sailings sometimes exceeding the combined sailings of the other lines. It determines the tariff of rates, and the West Coast Line, the next most important carrier, adopts these rates in full or follows them as closely as possible.

Between New York and Venezuela the Red "D" Line (The Atlantic and Caribbean Steam Navigation Co.) is the principal carrier, and has as its only competitor the Royal Dutch West India Mail Line. These two lines are operating under an arrangement whereby it is understood that if the Royal Mail Line does not charge less than 90 per cent of the rates of the Red "D" Line between New York and La Guayra and Puerto Cabello, the latter line will not resent its rates to and from Curacao being cut to an extent that will enable the Royal Mail Line to secure about one-half of the total freight carried between the ports. This rate differential is permitted by the dominant carrier because the Royal Mail Line's steamers, since they call at intermediate ports, are a longer time on the voyage.

In the trade between New York and Colombian ports on the Caribbean Sea the Royal Mail Steam Packet Co., the Hamburg-American Line (Atlas service) and the United Fruit Co. are the only regular lines. All three coöperate in both the freight and passenger business. The first two lines have entered into written pooling and rate agreements, while the United Fruit Co. has, from the beginning of its operation in the trade, seen fit to charge the same rates and to work under the same conditions as the other lines, without, however, participating in the pooling arrangement and without having actually entered into any written or verbal agreement. Moreover, while it is tacitly understood that the United Fruit Co. will observe the same rates and conditions as the other lines (with the exception of the pooling arrangement), there is no obligation whatsoever on the part of the line to do so. The agreements between the first two lines, it should be noted, not only apply to the Colombian traffic but to the entire Central American and West Indian traffic of the lines. Besides pooling the business, deferred rebates are allowed on both the outward and homeward voyages, and the committee was advised by letter that the deferred rebate agreement is not violated when shipments are made via the United Fruit Co.

Turning next to the Brazilian trade, we find that the traffic between New York and the Amazon district is controlled exclusively by the Booth Line. Various witnesses testified that there is a tacit understanding between this line and the conference lines operating

to South Brazilian ports—the joint service of the Hamburg-American Line and Hamburg-South American Steamship Co., the Lamport & Holt Line, and the Prince Line—whereby each will respect the other's territory.

The three Brazilian conference lines just mentioned operate under a written agreement which governs the trade with the United States both northbound and southbound. The same lines also operate between Brazil and European ports, and together with the North German Lloyd and the Royal Mail Steam Packet Co. (which recently absorbed the Lamport & Holt Line) are working under an agreement which regulates the trade from Brazilian ports "to or via the ports of Antwerp, Rotterdam, Amsterdam, the Rivers Weser and Elbe, and to ports in the United States." By the terms of the agreement pertaining strictly to the American traffic the total sailings per annum are divided among the lines as regards both New York and New Orleans. Rates in the southbound traffic must be strictly adhered to and all modifications must be by agreement. In the northbound trade the American agreement provides for the establishment of deferred rebates on the same scale as those in force for Europe "under which all shippers will be required to confine their shipments *either to the United States* or to Antwerp, Rotterdam, Amsterdam, Hamburg and Bremen, to the steamers of the parties to this agreement or to other lines which may be in conference with the Hamburg Lines in their Brazil-Europe service." The experience of the Pan-American Mail Line and the Lloyd Brasileiro shows this deferred rebate system to constitute an almost insuperable obstacle to the successful entrance into the trade of any independent regular line which does not possess powerful financial backing or the good will of the conference lines. The first of these independent lines failed after its first trip, largely because of its inability to obtain return cargo, while the last line has also failed to obtain a fair proportion of the existing cargo on the northward run. In this connection, as stated in the report to the committee:⁵

It should be borne in mind that nearly every shipper of any importance in Brazil has connections in Europe as well as in the United States, the European interests in many instances being the most important. For this reason neither the Pan-American Mail Line nor the Lloyd Brasileiro could relieve the shippers

⁵ *Report on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade*, pp. 164, 165.

from their dependence on the conference lines (which control both the American and European service) by guaranteeing to carry all their cargoes, unless they also establish a European service. But even assuming that the independent line would undertake to establish a European service, it would still be greatly handicapped (1) by the difficulty of a single line giving its patrons sufficiently frequent and regular sailings as compared with the large conference lines which alternate their sailings to meet the requirements of the trade, and thus coöperatively accomplish in the way of frequency and regularity of service what no ordinary single line can hope to do; and (2) by the inducements afforded to shippers to remain loyal to the old established lines by the 10 per cent deferred rebate system prevailing in both the American and European trades.

In the southbound trade from New York to the River Plate an oral understanding has existed since the beginning of 1912 between the Lamport and Holt, Houston, Prince, Barber and American and Rio Plata Lines for the fixing and maintenance of rates; and these lines also seem, judging from the testimony, to have a tacit understanding with the Brazilian conference lines to respect each other's territory. At their weekly conference meetings freight rates are determined by the aforementioned five River Plate lines, but the freight money is not pooled and belongs to each line as earned. Nor is there any limitation upon the number or size of the steamers that may be placed in the trade by any line, or upon the time when steamers may be dispatched. The Norton Line, another carrier in the trade, was a member of the conference until its recent voluntary withdrawal. But while this line has now no understanding with the conference lines, and does not participate in the conference meetings, the conference lines keep it posted as to rates. The testimony of witnesses shows that the Norton Line has maintained the rates of the other lines and that its relations with the five conference lines are as cordial as they were when it held membership in the conference.

In the northbound trade from the River Plate, the Barber, Lamport and Holt and Houston Lines operate under an agreement which contains a deferred rebate feature. Rates are made in common and shippers are allowed a 5 per cent rebate if they confine their shipments to the combination lines for a period of six months. This rebate allowance applies on all articles except cereals and linseed which constitute a large proportion of the traffic from the River Plate to the United States.

All the lines in the traffic from the Atlantic seaboard of the United States to the west coast of South America, via Panama are

working under a tacit rate understanding. The lines engaged in this trade are (1) the Royal Mail Steam Packet Co., the Hamburg-American Line (Atlas service), the United Fruit Co., and the Panama Railroad Steamship Co. from New York via Panama; (2) the United Fruit Co. from New Orleans via Panama; and (3) the Munson Line with sailings from Baltimore to Colon and occasional sailings from New York. According to the statement of the United Fruit Co. there is a verbal understanding between it and the other lines to the effect that it will discuss with them proposed changes in rates before the same become effective, with a view to maintaining stability in rates and keeping each line advised in advance of any proposed changes by the others. While all the lines have adopted the Panama Railroad Co.'s tariff, the United Fruit Co. emphasized the fact that: "there is no agreement to maintain any rate established by the others," and "each company makes and publishes its own rates and is free to adhere to these rates or not, as it sees fit." It should also be noted that the United Fruit Co. observes the same rates in its New Orleans to Colon service as are charged by the New York lines, and that there is a tacit understanding between the lines that the rates from New Orleans shall be the same as from New York. The Munson Line also reported to the committee that it "has a verbal understanding with the lines running out of New York to Colon, by which it confines its Colon sailings from north of Hatteras ports to the port of Baltimore, and that while there is no agreement as to making or maintaining rates of freight, the line tries to secure, as nearly as possible, out of Baltimore the same rates as are secured out of New York."

Much the same situation prevails in the northbound traffic from the west coast of South America to the Atlantic seaboard of the United States via Panama. Close business relations exist between the three lines operating from the west coast of South America to Panama, and all of the four lines on the Atlantic side of the Isthmus are said to receive the same proportion of the through rate, which the committee was advised is approximately 30 per cent.

With reference to the traffic between Pacific coast ports of the United States and the west coast of Central America and Mexico the Pacific Mail Steamship Co. is by far the most important, and is said to have no traffic or rate agreement with any of the other lines in the trade. But while the existence of any agreements or

understandings between the lines has been denied by the steamship interests involved, the freight tariffs of the several lines, as well as the statements made to the committee by American consular representatives and certain important importing firms at San Francisco, indicate that the Pacific Mail is the dominant power in the trade and that the other lines adopt its rates and refrain from antagonizing its interests. In the traffic between New York and the west coast of Central America and Mexico it appears that all the lines tranship their New York cargo at the Isthmus of Panama by the Pacific Mail for distribution to Central American and Mexican ports on the Pacific. The Atlantic lines are the same as those previously discussed, and the business is controlled by the same rate understanding which governs their operations in the trade between New York and the west coast of South America.

The Caribbean Trade, Covering the West Indies, Central America and Mexico.—The agreements between the Hamburg-American Line and the Royal Mail Steam Packet Co., and the understanding between these lines and the United Fruit Co. (which were referred to in connection with the trade between New York and the Caribbean ports of Colombia) also govern these lines in their trade between New York and Jamaica and Central America. It need only be stated that with reference to Jamaica the Hamburg-American and Royal Mail Lines, besides agreeing upon freight rates, allow a deferred rebate of 10 per cent on shipments from New York to Kingston, Jamaica. This deferred rebate allowance, however, does not apply on shipments from New York to Jamaican out-ports or on shipments from Jamaica to New York. The committee was advised by a prominent shipping firm that it received the same rebate allowance of 10 per cent from the United Fruit Co. on shipments from New York to Kingston.

The relations between the lines operating on the numerous other routes within this group may be briefly summarized as follows for the principal trades:

(1) In the trade between New York and north Cuban ports (with the exception of Havana) the New York and Cuba Mail Steamship Co. had until recently an understanding with the *Compañía Marítima Cubana* for a territorial division of destination ports. The latter line appears to serve exclusively the north Cuban ports, with the exception of Nipe Bay which is also served by the Royal

Mail Steam Packet Co. These two lines, however, operate on friendly terms, Mr. C. V. Kellogg of the Munson Line (this line being the general agent of the *Compañía Marítima Cubana*) having testified that the Royal Mail "goes so far as to ask us whether our rates are being maintained in some cases where shippers have claimed that they have had lower rates. They lead us to infer by these questions that they are maintaining our rates, and our reply lets them know whether we are maintaining the rates."

Until September, 1911, the Atlas Service of the Hamburg-American Line conducted a service for about one year to Havana, and at the time, according to the testimony of its freight traffic manager, "had a tacit but unwritten understanding as to freight rates with the New York and Cuba Mail Line." The New York and Cuba Mail is also a member of the Gulf Foreign Freight Committee, consisting of the five lines operating from Key West, Mobile, New Orleans and Galveston to Cuban ports, and vice versa. According to its report the line attends the meetings of this committee very infrequently, and its only reason for belonging to the same is to obtain information as to the freight rates from the Mississippi Valley to the seaboard, and from the Gulf to Cuban ports, in order to enable it to meet their competition.

With the exception of the American and Cuban Steamship Line (with sailings to Cuban ports other than Havana only about every three weeks) the New York and Cuba Mail and the Hamburg-American's Atlas Service are the only lines connecting New York with south Cuban ports. While no understanding exists between the lines the freight traffic manager of the Atlas Service testified that "the two lines aim not to underquote each other, and if the New York and Cuba Mail fixes a rate on a certain commodity they will probably tell us of it, or we will learn of it in the market, and will adjust our rates accordingly." The eventual result of this adjustment, he further explained, is that the lines have the same rates between New York and Santiago, both southbound and northbound, although there may be an occasional underquoting of rates because one line may not have knowledge of what the other is doing.

(2) Three lines control the trade between the United States and Haiti, viz., the Atlas Service of the Hamburg-American Line and the Royal Dutch West India Mail Line from New York, and the Seeborg Line from Mobile, the last being the only line from a

southern port. The Clyde Line, on the other hand, is the only line serving the ports of Santo Domingo. Until the close of 1912 the two lines connecting Haiti with New York were parties to a pooling agreement which had for its purpose the division of ports in Haiti between the lines, the fixing and maintenance of freight and passenger rates, and the pooling of a certain proportion of the earnings. Although discontinued on December 21, 1912, both lines continued to observe the same rates and conditions in the freight traffic. The Hamburg-American Line also has an agreement with the Royal Mail Steam Packet Co. whereby the latter agrees not to extend its service to Haitian ports as far as sailings to and from New York are concerned.

(3) Four lines—Royal Dutch West India Mail Line, Royal Mail Steam Packet Co., Lamport and Holt Line, and Trinidad Shipping and Trading Co.—maintain a regular service between New York and Trinidad. In the northbound trade these lines operate under an agreement which has for its purpose the maintenance of rates and the allowance of a deferred rebate of 10 per cent on cocoa, the principal item of export to New York. Southbound, the lines also operate under a joint freight tariff. The Hamburg-American Line, in its pooling agreement with the Royal Mail Steam Packet Co., also obligated itself “not to call at Trinidad and Grenada from and to New York, excepting with its cruising steamers.”

(4) Three lines serve the New York-Bermuda trade, viz., the Quebec Steamship Line, the Royal Mail Steam Packet Co. and the Bermuda Atlantic Steamship Co. The first two lines are parties to an arrangement for the payment of a sliding scale of rebates on shipments from New York.

(5) Seven lines connected Atlantic coast ports of the United States with eastern Mexican ports at the time of the committee's investigation. All the lines reported that they were not parties to any agreement or understanding with any other navigation company. In only a few instances, however, does more than one of these lines operate over a given route, and where the contrary exists no evidence of anything like a rate war was found.

(6) As regards the Atlantic ports of British Honduras, Guatemala and Nicaragua, the United Fruit Co. is by far the dominant carrier, and its competitors are so unimportant, according to the admission of this company's officials, as not to be a factor of

any importance in the trade. Until recently, it may be added, the United Fruit Co. had a controlling interest in nearly all of these competitors, but for one reason or another saw fit to dispose of its stockholdings therein.

EXTENT AND METHODS OF CONTROL OF COMPETITION BETWEEN
CARRIERS BY WATER IN THE DOMESTIC TRADE

Considering all the steamship lines operating on the Great Lakes and on the Atlantic, Gulf and Pacific coasts, the following totals appear for the year 1913: The lines number 66; the line steamers engaging strictly in the domestic trade, 477; and the gross tonnage of these steamers, 1,180,897 tons. Of these totals, 19 railroads control over 44 per cent of the steamers and nearly 50 per cent of the gross tonnage; and 11 lines, operating 25.5 per cent of the total number of steamers and 23.6 per cent of the total gross tonnage, belong to shipping consolidations. In all, railroads and shipping combinations own 30 lines which control and operate 330 steamers of 868,741 gross tons, or nearly 70 per cent of the total number of steamers for the 66 regular lines and 74 per cent of the total tonnage.

Nearly all of the remaining 36 lines are relatively unimportant and in nearly all instances either have their routes entirely to themselves, or, where this is not the case, charge the same rates as the other lines. The few lines which were found during the investigation to be cutting the regularly established rates were in most instances leading a precarious existence because of the difficulty they experienced in securing freight on advantageous terms by reason of the almost unsurmountable difficulties⁶ placed in their way by the old and well-established lines. The extent to which open competition has been eliminated in the following important divisions of this country's domestic commerce by water will now be briefly summarized.

*The Atlantic and Gulf coasts.*⁷—Practically all the large regular steamship lines in this trade are either controlled by railroads or are subsidiaries of one of two large shipping consolidations—the

⁶ For an enumeration of the methods used in controlling competition in the domestic traffic see Appendix II of this volume.

⁷ For a detailed discussion see chap. 13 on "Steamship Company Affiliations on the Atlantic and Gulf Coasts," pp. 369-401 of the *Report on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade*.

Eastern Steamship Corporation and the Atlantic, Gulf and West Indies Steamship Lines. The steamers of these railroad-owned lines, when combined with those of the two consolidations, represent 93.9 per cent of the total gross tonnage of all the steamers operated by the 28 lines (exclusive of some very small and purely local lines) which handle practically all of the line traffic along the entire Atlantic and Gulf coasts. Moreover, as pointed out in the report prepared for the Committee on the Merchant Marine and Fisheries⁸:

Not only do the railroads and the two shipping consolidations dominate over nine-tenths of the tonnage, but it is significant that very few of the principal routes on our entire Atlantic and Gulf coasts are served by more than one regular steamship line. . . . Thus, with the exception of Portland, Boston has but one direct service to any leading Atlantic coast port, and all other lines connecting it with other coastwise ports are either under railroad control or are subsidiaries of the two shipping consolidations. Practically the same is true of New York, there being only one regular water line operating between this important center and the following ports: Portland, Boston, Philadelphia, Baltimore, Norfolk, Wilmington, Charleston, Savannah, Jacksonville and New Orleans. Galveston is the only important Gulf port which has two services from New York—the Morgan and Mallory Lines—but these work in absolute harmony.

The lines of the New York, New Haven and Hartford R. R. Co., together with those of the Eastern Steamship Corporation, represented (in 1913) 77 per cent of the total number of steamers and over 88 per cent of the gross tonnage of the lines engaged in the strictly New England coastwise trade, including the port of New York. Not only did the New England Navigation Company (owned by the N. Y., N. H. & H. R. R. Co.) own over 25 per cent of the common and 50 per cent of the preferred stock of the Eastern Steamship Corporation in that year but the two consolidations are on friendly terms with each other. In no case do the routes of the many lines of the N. Y., N. H. & H. R. R. Co. conflict with the nine routes of the Eastern Steamship Corporation, and according to the testimony of the president of the latter, there is no competition between the two interests.

In the middle and south Atlantic coast trade practically all the large regular lines are either controlled by railroads or have been acquired by the Atlantic, Gulf and West Indies Steamship

⁸ *Report on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade*, p. 369.

Lines (commonly known as the "Agwi"). At the beginning of 1913 eleven lines, representing a total tonnage of over 232,385 gross tons, connected the leading ports of this division of our coastwise trade. Of these lines the railroads controlled five, representing 67 per cent of the total tonnage, and the "Agwi" two, representing 26.4 per cent of the tonnage. Moreover, of the twenty-seven leading routes in this trade—involving the ports of Boston, Providence, New York, Philadelphia, Baltimore, Norfolk, Wilmington, Georgetown, Charleston, Savannah and Jacksonville—only three were served directly by more than one steamship line. Outside of the railroad and "Agwi" groups only four independent lines, with a combined total of only 13 steamers of 14,520 gross tons, operate in the entire middle and south Atlantic coastwise trade. But of these four lines three are the only ones directly connecting the ports they serve, while the other line has recently been obliged to pass through a receivership. Three of these independent lines also reported to the committee that they were operating under great disadvantages since certain railroads refused to pro-rate with them, on equal terms with other lines, as regards traffic moving via their ports of call.

Turning now to the regular line services connecting ports on the Atlantic coast with those on the Gulf coast we find that there were six in 1913, viz., the Morgan, Mallory, Southern, Texas City, Seaboard and Gulf, and Philadelphia and Gulf Steamship Companies. The Mallory, Texas City, and Southern Companies, however, are subsidiaries of the "Agwi," and in turn, are working in perfect harmony with the Morgan line. All charge the same rates in competitive territory. The Mallory Line reported to the committee that "it has no agreement with the other companies as to the maintenance or change of rates, but keeps itself advised of the rates made by the other lines engaged in similar services and interchanges information and views with them as to rates." The Texas City Line likewise reported that it "interchanges information as regards rates with the Morgan and Mallory Lines."

With the Atlantic, Gulf and West Indies Steamship Lines and the Morgan Line closely affiliated, there were at the beginning of 1913 only two small independent lines—the Philadelphia and Gulf Steamship Co. and the Seaboard and Gulf Steamship Co., together representing only 4.4 per cent of the total line tonnage engaged in the trade—operating between the Atlantic and Gulf coasts. These

two lines were meeting the most determined opposition from some of the other lines, and the various methods used to eliminate them serve to show how difficult it is for an independent line of moderate means to fight its way by rate cutting into a trade which is controlled by a combination of strong, well-established, and closely affiliated lines. Not only did the combination lines, according to the testimony given before the committee, oppose the Philadelphia and Gulf Steamship Co. by discouraging the flotation of stock among its subscribers and by making it difficult to purchase, build or charter steamers, but other effective methods were used such as (1) the employment of fighting ships; (2) the engaging of persons in the employ of the independent line to furnish copies of its manifests, which revealed the names of shippers and consignees, the character and value of freight handled and the rates received, thus enabling the opposing line to follow up the business and induce shippers to cease patronizing the independent carrier; (3) the bringing of influence to bear on marine insurance companies to grant the independent carrier less favorable rates than those given to its large and well-established competitors, the independent line being obliged to equalize the extra cost of insurance in its rates to shippers; (4) the granting of rebates to shippers who agreed to ship their entire product by a given line; and (5) the refusal of membership to the independent line (unanimous consent being necessary) in various tariff committees, thus placing the line at the disadvantage of publishing tariffs at its own expense and of not being able to obtain the same through rates that were enjoyed by the other lines.

*The Great Lakes.*⁹—On this leading highway of American commerce all the through lines from the western gateways, such as Chicago and Duluth, to the eastern seaports via Buffalo—six in number—are owned by the trunk line railroads connecting the East and the central West. Having become masters of the through water-borne package freight business, the railroads found it to their interest not only to divert much of this traffic to their rail lines, but to prevent independent water lines from securing an important foothold. In their efforts to prevent competition by independent lines the railroads were greatly favored by the fact that most of the

⁹ For a detailed account see chapter 11, on "Steamship Company Affiliations on the Great Lakes," pp. 317-346 of the *Report on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade*.

general merchandise traffic moving by water originates on the rail lines at some distance from the terminals of the water carriers. As a result the railroads could to a great degree control the movement of this freight, and as Mr. Julius Barnes of Duluth testified: "So long as this class of freight originates on the railroads and is controlled by them, it is in their power to say to whom they will give it, and they will not share it with any individual carrier that might offer." As a further obstacle to the operation of independent lines, the railroads have pursued the practice of charging more for the local haul from Buffalo to seaboard points on certain commodities that are taken to Buffalo by boat than the proportionate share of the all-rail haul from Chicago to the seaboard, thus making the through rail-water route unprofitable as regards an independent line, as compared with the all-rail route, i.e., the local rate for the eastern rail haul was made so high as to leave little to the independent water carrier for its local lake haul.

Assuming that independent lines could overcome the aforementioned obstacles, they would next find that the railroads have secured nearly all the water frontage at Buffalo available for dock purposes. The railroads could also refuse to give them the benefit of their dock facilities both for the discharging and receiving of cargo, thus compelling them to load and unload at some other dock and team the goods to or from the railroad station. At the same time the railroads have secured effective control of the Erie Canal through the acquisition or control of the important canal boat lines and forwarding agencies, the refusal to exchange freight with independent canal lines or forwarders, and the acquisition of the terminal facilities at both ends of the canal route.

Exclusive of the railroad-owned lines and all ferry and strictly passenger lines, seventeen other freight lines operate on the Great Lakes. But most of these lines are comparatively small; none engages in the through traffic from western terminal centers to Buffalo; and their combined gross tonnage is only 100,557 gross tons as compared with 180,007 tons for the six railroad-owned lines. Seven of these lines reported that they encounter no direct competition from other lines. A comparison of the rates charged by all the lake lines, both railroad-owned and otherwise, was made from the current printed or typewritten port-to-port rates as furnished to the committee. This comparison was made for 147 routes (i.e., a route between two cities) with the following results:

As regards 102 routes only one line served the trade; in 21 cases two or more lines operated on the same route and used the same rates; in 3 cases two or more lines operated over the same route and had common rates on certain classes of freight and dissimilar rates on others; in 6 cases the two or more lines operating on the route charged different rates; while in 15 cases where two or more lines served the same ports the current rates charged were not furnished to the committee.¹⁰

A striking tendency towards a consolidation of the numerous bulk carriers engaged in the grain, ore and coal traffic on the Great Lakes was also found to exist. In the first place eight leading consolidations of such carriers were found to represent a total of 274 vessels with a total tonnage of 1,233,868 gross tons, or nearly 46 per cent of the total American Great Lakes tonnage not engaged in line traffic. An examination of the personnel of the managements and the charter relations further served to indicate that these eight consolidations of bulk carriers are themselves closely interrelated. A further comparison of the officials, leading stockholders, and charter relations of other American bulk carrying companies on the Great Lakes showed that the aforementioned eight leading consolidations were so closely inter-related with 29 other groups of lesser importance as to warrant the conclusion that the entire list of 37 groups, comprising 105 companies, firms and managements represents a vast community of interest, which, if found necessary, could easily be dominated by the leading interests therein as regards rates and business policy.

The significance of this community of interest becomes apparent when viewed from the standpoint of the tonnage controlled by the 37 groups of carriers. Thus, the total tonnage on the Great Lakes for 1912, as reported in the *Great Lakes Register*, amounted to 2,939,933 gross tons. Of this total the tonnage of the regular lake steamship lines comprised 299,668 gross tons, leaving a total of 2,640,265 tons for all other vessels. Of this total the 37 inter-related groups of bulk carriers represented 2,001,529 gross tons, or over three-fourths of the total. Approximately 300,502 gross tons of the total of 2,640,265 tons, however, consist of vessels which do not engage in the bulk-carrying business, such as ferries, tugs, wrecking boats, fishing craft, carriers engaged strictly in the lumber,

¹⁰ *Report on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade*, p. 335.

oil and passenger business, etc. If this last amount, together with the 299,668 gross tons of the line vessels, be deducted from the total American Great Lakes tonnage of 2,939,933, it appears that the 37 affiliated groups of bulk carriers control approximately 85 per cent of the total American Great Lakes tonnage. Their importance is also indicated by the fact that they represent over 69 per cent of American vessels on the lakes with a gross tonnage of 1000 or over; 81 per cent of the vessels whose tonnage exceeds 2000; and over 94 per cent of those exceeding 3000 tons.

*The Pacific Coast, Alaska and Hawaii.*¹¹—Although independent lines make a more prominent showing in this trade than on either the Atlantic coast or the Great Lakes, railroad-owned lines and shipping consolidations nevertheless represent a large proportion of the total line tonnage. Fifteen lines, representing 106 steamers of 350,512 gross tons, operate in this trade. Three of these lines are railroad-owned and four belong to shipping consolidations. Their combined tonnage amounts to nearly 50 per cent of the total for the trade.

Eight regular lines connect the leading ports on the Pacific coast proper. With the exception of the Alaska Pacific Steamship Co. and the Pacific Navigation Co., which have an agreement for the routing of traffic via each other's steamers, all of these lines reported to the effect that they were not a party to any agreements or understandings with other lines or members of any associations or conferences which have for their purpose the division of traffic or the fixing and maintenance of rates. A comparison, however, of the current port-to-port rates of the lines, as furnished to the committee, showed them to be alike. But much evidence was presented to the committee to show that rate conditions in this trade are more unsettled than in any other division of our coastwise commerce. The lines frequently find it necessary to cut rates in order to meet competition from the more or less regular sailings of various carriers which, in their operations between San Francisco and Puget Sound, find it necessary to obtain ballast freight at greatly reduced rates.

¹¹ For a detailed discussion see chapter 12, on "Steamship Company Affiliations on the Pacific Coast" in the *Report on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade*, pp. 347-368.

All lines connecting the Pacific coast proper with Alaska operate from Seattle or Tacoma, all Alaskan freight destined to, or arriving from, ports farther south being transhipped at these points. In all eight lines—the Alaska, Western Alaska, Pacific Coast, Alaska Coast, Humboldt, and Northland Steamship Cos. and the Northern Navigation Co. and Merchants Yukon Line—operate in the Alaska trade. With the exception of the Alaska Coast Co., the Northland Steamship Co. and the Humboldt Steamship Co., the last two operating only one small steamer each on the Southeastern Alaska Route, all of the above-mentioned lines are affiliated through stock ownership or traffic agreements. The Pacific Coast Co. (owning the Pacific Coast Steamship Co.) and the Alaska Steamship Co., the two dominant carriers in the trade, each owns one-half of the stock of the Juneau Steamship Co. and also has an equal interest in two-thirds of the capital stock of the Western Alaska Steamship Co. These carriers also have, or until recently have had, traffic agreements with the two dominant carriers on the Yukon River route, viz., the Northern Navigation Co. and the Merchants' Yukon Line. The Alaska Coast Co., operating four vessels, reported that it was not affiliated with any other carrier in the trade. A comparison of its rates to and from Seattle and Tacoma with those of the Alaska Steamship and Pacific Coast Steamship Cos. shows them to be the same for a considerable number of the Alaska ports, while for the remaining ports the rates are the same on about one-half of the articles enumerated.

In the Hawaiian trade three lines—the Pacific Mail Steamship Co., the Matson Navigation Co. and the Oceanic Steamship Co.—operate only to and from San Francisco, and one—the American-Hawaiian Steamship Co.—extends its service to New York. The latter line has no service between San Francisco and Hawaii in either direction. Its steamers carrying westbound cargo destined for Hawaii operate northward to Puget Sound, and, after loading additional cargo, proceed to Honolulu, while the return voyage from Hawaii to New York is direct via Salina Cruz, Mexico. Of the first three lines the Matson Line confines its operations to the Hawaiian trade, the Pacific Mail makes Honolulu a port of call in its service to and from the Orient, while the Oceanic Steamship Co. conducts a local service between San Francisco and Honolulu and another from San Francisco via Honolulu to Australia. The published rates of these

lines are the same both eastbound and westbound. The Matson Line is by far the dominant carrier in the trade and is closely affiliated, by agreement and by leading stockholders in common, with the Inter-Island Steam Navigation Co., which has practically a monopoly of the Inter-Island Trade of Hawaii. Mr. A. B. Spreckles, Vice-President, Manager and Director of the Oceanic Steamship Co., is also one of the ten largest individual stockholders in the Matson Co. and Mr. W. D. K. Gibson, another director of the Oceanic Steamship Co. is also a director and one of the ten largest individual stockholders in the Matson Co.

*Intercoastal Trade between the Atlantic and Pacific Seaboards.*¹²—Exclusive of the comparatively unimportant route via the Straits of Magellan, three leading water routes connect the Atlantic and Pacific seaboards of the United States, viz., the Tehuantepec route, the Panama route, and the so-called "Sunset-Gulf Route." The Tehuantepec route extends from New York to Puerto Mexico, thence across the Isthmus of Tehuantepec by the Tehuantepec National Ry. Co. to Salina Cruz, and thence to Pacific coast and Hawaiian ports. All traffic via this route is carried, both on the Atlantic and Pacific sides, by the American-Hawaiian Steamship Co. Via Panama, the route comprises the Panama R. R. Steamship Line from New York to Colon, the Panama R. R. Co. across the Isthmus, and until recently, two Pacific coast services, viz., the Pacific Mail Steamship Co. and the California Atlantic Steamship Co. The Sunset-Gulf Route consists of the combined rail and water lines of the Southern Pacific Co., its steamers operating between New York and New Orleans and Galveston (the Gulf termini of the Southern Pacific), thus enabling the railroad company to compete not only with other transcontinental railroads, but with the several intercoastal water routes.

While the rates of the Sunset-Gulf Route are the same as the all-rail charges, the rates on the two Isthmian routes are from 20 to 60 per cent below the transcontinental railway tariffs. Fixed differentials, however, do not exist, the water rates being made sufficiently lower than the rail charges to obtain a sufficient volume of desirable freight. A comparison of the Panama Line's rates with those of the American-Hawaiian Line shows them to be the same

¹² For a detailed discussion see pp. 357-365 of the *Report on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade*.

for about one-third of the articles enumerated, while for the balance the Panama rates slightly exceed the Tehuantepec rates, and vice versa.

At the time of the committee's investigation the Panama R. R. Co. had a traffic arrangement with the Pacific Mail and California-Atlantic Lines for the exchange of freight, and the Pacific Mail regularly advised the Panama R. R. Co. whenever it agreed with the California-Atlantic Line to put into effect certain changes in rates from San Francisco to New York. The American-Hawaiian Line, however, is not a party directly or indirectly to any understanding with either the Panama R. R. Co. or its two connecting carriers, although Mr. R. P. Schwerin, vice-president and general manager of the Pacific Mail, testified that the American-Hawaiian Line was maintaining rates with the other lines.

Inland Rivers and Canals —As contrasted with the great increase of traffic in the coastwise and Great Lakes trade, traffic on this country's inland rivers and canals has decreased both relatively and absolutely. Most of the canals have long since passed under the control of competing railroads, with the result that the railroads almost invariably abandoned or failed to maintain the same properly, or raised the tolls so high as to preclude their use. Many of the canals, however, owing to their antiquated character, would, in all likelihood have ceased to exist because of inability to meet the legitimate competition of the railroads. Even the Erie Canal is dominated to such an extent by the railroads, that the movement of through freight originating outside of the state of New York via this route has almost reached the vanishing point, the railroads owning all the through lake lines and controlling practically all the terminal facilities at both ends of the canal as well as the leading canal forwarding agencies and boat owners. Much the same situation also exists on the country's leading rivers. Not only has transportation on these waterways declined because of the natural extension and legitimate competition of the railroads, but as pointed out elsewhere:¹³

There is ample evidence to show that the railroads have successfully opposed the maintenance and development of river and canal traffic by a variety of effective methods, mainly by acquiring competitive water lines and canals, by obtaining control of the terminal facilities, by the use of rebates, or by the

¹³ *Ibid.*, pp. 406-407.

undercutting of rates. Aside from the acquisition of competing lines, the undercutting of rates seems to have been the favorite method adopted by railroads to eliminate water competitors. Since the railroads reach all sections of the interior, and the inland navigation lines are restricted to their water course, they can easily control so large a proportion of the total freight as to leave the water lines insufficient freight to maintain proper terminals and an efficient service.

CONCLUSIONS

Having outlined briefly the relations between steamship lines operating on all the important routes of our foreign and domestic commerce, we may next summarize the conclusions which may be drawn from a study of agreements and other affiliations considered collectively. Six leading conclusions suggest themselves, namely:

(1) The existence of coöperative arrangements for the elimination of unrestrained competition in rates between steamship lines engaging in the American foreign trade may be said to be well nigh universal. In fact, foreign lines frankly contend that such coöperative methods are absolutely essential in ocean transportation if ship owners are to secure a dependable return on their investment sufficiently large to provide for the proper development of the trade and the efficient handling of the traffic, and if shippers are to enjoy an ample, frequent and regular service at stable rates and be protected against secret arrangements with competitors. The few instances where two or more lines serve the same route, and seem not to operate under written or oral agreements for the regulation of the trade, are exceptions and not the rule. But in nearly every such instance one line in the trade was found to be sufficiently powerful to dominate the others and, without effecting any definite understanding, secure the desired condition in rates. In practically every case the few small competitors are allowed to operate by the dominant carrier without opposition, so long as they charge the same rates or observe a certain differential. For these smaller lines to start a rate war with the dominant carrier would mean their speedy absorption or elimination. In some instances, also, the powerful line may not, especially for legal reasons, have seen fit to sign an agreement or to become a member of a conference. Yet in nearly every such case the non-conference line was found to work in friendly coöperation with the conference lines as regards rates. A few instances were even found where an important line deliberately withdrew from the

conference, and yet the conference line representatives testified that they kept the non-conference line posted as to the rates they were charging, although under no obligation to do so, that the non-conference line maintained these rates, and that the relations between it and the combination lines remained as cordial as they were when the line belonged to the conference.

(2) An analysis of the numerous agreements and understandings between carriers in the foreign trade shows that they differ greatly in their details and that in most instances they have been adapted to meet the needs of the particular trades to which they apply, or the special requirements of the lines which are parties to the arrangements.¹⁴ Broadly speaking, the various agreements and understandings may be classified as follows:

(a) *Rate agreements, which may be further divided into fixed rate agreements, minimum rate agreements, and differential rate agreements.*—Fixed rate agreements¹⁵ aim to have the lines maintain definitely fixed rates as prescribed in the agreement or in the tariffs agreed upon, all changes in such rates to be made only by mutual consent. Sometimes steamers are allowed to accept certain heavy freight, not exceeding a certain designated total, at less than the prescribed rates. Minimum rate understandings¹⁶ in the freight traffic usually provide that the lines cannot, for a certain period of time (usually thirty to sixty days) and as regards a designated list of articles, take freight (except certain designated bulk articles) at rates below an agreed minimum. Any line, however, can serve notice that at the end of the designated period it will change these rates. Differential rate

¹⁴ For a detailed classification of agreements and conference arrangements see pp. 281-293 of the *Report on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade*. It should be noted that many of the agreements represent a combination of the various kinds of agreements referred to, i.e., agreements may combine the features of pooling earnings, fixing rates, granting deferred rebates, regulating sailings, etc. In a considerable number of instances agreements are also effected between groups of conference lines.

¹⁵ Illustrated by the N. D. L. V. Freight Agreement, the Baltic Pool Agreements, the Mediterranean Freight Agreement, and the agreements or understandings governing the lines operating from New York to Australia; New York to South, East and West Africa; New York to Asia via Suez and return; and Asia to American Pacific coast ports.

¹⁶ Illustrated chiefly in the eastbound and westbound freight traffic between American north Atlantic ports and the United Kingdom, and in the eastbound trade from New York to Mediterranean ports.

agreements¹⁷ aim to permit a line operating at a disadvantage as compared with the other party to the agreement, either because of an indirect route or a slower or otherwise poorer service, to obtain a share of the traffic at rates which are a stipulated percentage under the rates of its superior competitor.

(b) *Agreements which apportion the traffic by allotting the ports of sailing.*—Numerous such agreements were found to exist but space permits of reference only to a few. Thus the N. D. L. V. agreement allots certain European ports to each of the four signatories thereto and stipulates that “vessels in the trade with the United States shall not call either outward or inward at any home or adjacent port from or to which the vessels of any of the four lines are already sailing.” Other instances are the agreement between the Hamburg-American Line and the North German Lloyd whereby each reserves to the other, respectively, the ports of Hamburg and Bremen as regards sailings from American ports north of Savannah; the arrangement between the Russian East Asiatic Line and the Holland-American Line with reference to Rotterdam, the first line expressing its intention to operate to Russian ports only; and the agreement between the Royal Mail Steam Packet Co. and the Hamburg-American Line whereby the first company agrees not to extend its American service to Haitian ports and Santa Marta.

(c) *Agreements apportioning the traffic between the lines by regulating or restricting the number of sailings.*—Nearly all agreements, besides regulating rates, aim to regulate sailings in one form or another. Usually each line is allotted a certain number of sailings, these to be distributed as nearly as possible at regular intervals throughout the year. The order of sailing is mutually arranged between the lines, and in some instances additional sailings can be admitted only by the consent of a majority or two-thirds of the signatories, based on their respective number of sailings.

(d) *Agreements limiting the volume of freight which certain lines may carry.*—Such arrangements are comparatively few, and the oral understanding between the White Star Line (the most important

¹⁷ Illustrated by the agreement between the Royal Dutch West India Mail Line and the Red “D” Line in the trade between New York and Venezuelan ports.

¹⁸ *Report on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade*, pp. 288–289.

indirect carrier between New York and Australia) and the three direct lines operating from New York to Australia may be cited as an example. The arrangement, it will be recalled, provides that the measurement cargo carried by the White Star Line from New York via Liverpool for Australia shall not exceed one-fourth of the aggregate measurement cargo taken by all four lines.

(e) *Agreements providing for the pooling of all or a portion of the freight money collected.*—Only brief reference need be made to this type of agreement since the subject is discussed in another article in this volume. Usually such pooling arrangements provide, after deducting certain payments to meet the cost of operating the steamers, for the division of earnings in certain agreed proportions among the lines which are parties to the agreement. Sometimes such agreements are entered into by two groups of lines, each group receiving a certain percentage of the total freight carried by all the lines. In other instances the several lines each receive a certain percentage of the earnings, and only the balance is divided between the signatories.

(f) *Agreements providing for the payment of deferred rebates.*—This type of agreement allows to shippers, who agree to employ exclusively the steamers of the conference lines in a given trade, a refund of a certain percentage (usually 5 or 10 per cent but sometimes as high as 20 per cent) of their freight payments during a certain stipulated period, usually every six or twelve months. But while the rebate is computed for these periods it is not paid until after a certain number of months (usually three or six months) following the period for which it is computed, and only on the condition that during the entire time, including both the period for which the rebate was computed as well as the time of deferment, the shipper has given his *exclusive* support to the conference lines. Such rebates are allowed in the import trade of the United States in a very large number of instances, especially in long-distance trades, such as those from Oriental and South American ports. Although various conferences have in recent years discontinued the system, the facts presented to the committee show that this method has proved one of the most effective devices for the control of the trade. Since the time of payment of the rebates follows the period for which they are computed, the shipper, if he desires to obtain the same (sometimes reaching large proportions) is kept under constant obligation to the

conference lines and is prevented from patronizing any other service since that act would mean the forfeiture of all accumulated rebates. The rebate systems now in use, it may be added, are open equally to all shippers who agree to give exclusive patronage, and are granted without discrimination as regards the size of individual or total shipments.

(3) There has been a marked tendency in recent years for various conference lines to discontinue the use of deferred rebate systems. Moreover, such rebates apply in nearly all cases to the American import trade, only three instances having been found by the committee where such rebates are granted in the export traffic from American ports. As stated in the report to the committee:¹⁹

With reference to the American export trade it seems that the lines are laboring under the assumption that deferred rebates are illegal; and in some cases where such rebates formerly existed they have been abandoned and where their adoption has been taken under consideration, a decision was reached not to establish the same. In the import trade, on the contrary, the lines appear to go on the theory that this country has no jurisdiction over the matter, and that such rebates may be freely granted if the arrangement is made abroad and if the rebates are paid at a foreign port. But in this connection it should be noted that the deferred rebate system, although applied only to the import traffic is, nevertheless, a very effective device for the control of the trade, since to make the trade profitable an independent line must have cargo in both directions.

(4) Where written or oral agreements govern the rates and methods of the lines, the terms thereof have generally been guarded with the utmost secrecy. In fact, one of the chief objections of many shippers to steamship conferences and agreements as now conducted is that they are secret in most instances and that shippers therefore have no means of knowing whether the contentions of the lines for such agreements are true or not. Although some lines engaged in the foreign commerce showed a very commendable attitude in frankly offering to submit their agreements to the Committee on the Merchant Marine and Fisheries during its investigation, it is noteworthy that only 88 out of 208 foreign lines saw fit to respond at all to the committee's request for information. A considerable number of the lines objected to any publicity being given to their agreements by the committee, chiefly on the ground that such publicity would enable other lines to become acquainted with their business methods. In the great majority of cases, as was shown by the testi-

¹⁹ *Report on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade*, pp. 288-289.

mony before the committee, the agreements were in the possession of only the foreign principals of the lines, most American representatives of the lines expressing a mere knowledge of their existence and an entire ignorance of their provisions. So prevalent was the spirit of secrecy surrounding such agreements and so general the objections of shippers to such secrecy that the committee saw fit to report to Congress that all carriers by water should be required to file for approval with the Interstate Commerce Commission a true copy, or if oral, a true and complete memorandum, of every agreement, understanding, conference or other arrangement to which they are parties or to which they conform in whole or in part.

(5) Not only are practically all the conference relations between lines in the domestic trade verbal in character, but a decided tendency toward oral understandings, as distinguished from written agreements, has also manifested itself in the foreign trade. About one-half of the coöperative arrangements in the foreign trade are oral in character. Many agreements were of an oral nature from their inception, while in several instances written agreements were upon their termination renewed in the form of oral understandings, the steamship line representatives, however, admitting that the lines continued to follow the same rates and conditions which were previously observed under the written agreements. Witnesses before the committee repeatedly drew the distinction between formal written agreements and oral or tacit understandings, and seemed to regard oral understandings as "safer" than written agreements. The effectiveness of oral agreements, however, was generally admitted to be as dependable as that of written agreements. As stated in my report in this connection:²⁰

While not involving as strong a moral obligation as written agreements, the evidence shows that for all practical purposes oral arrangements are quite as effective. Judging from the manner in which the lines observe the same, the existing oral understandings give unmistakable evidence of the high order of integrity prevailing in modern business, and justify fully the phrase "gentlemen's agreements." Written agreements seem to have accomplished their purpose in many trades and are apparently no longer needed. The lines in some instances need not even meet in conference; they may avoid every appearance and every act which would seem to show the existence of an agreement or under-

²⁰ *Ibid.*, p. 294.

standing; and yet operate in the same spirit of harmony that would prevail if a written agreement existed. There is still friendly rivalry in procuring business, but this business is secured at not less than certain understood rates. Again, in nearly all of the few trades where agreements or understandings have been denied by all the interested lines, a remarkable uniformity in rates seems to exist and not a trace of a rate war can be found. The situation has been explained to the committee as one of "following the leader," the dominant carrier fixing the rates and the less important lines adopting those rates, they being allowed to exist in the trade without having an effective fight waged against them, as long as they conform to the rates and conditions established by the dominant carrier.

(6) Unlike the practice in the foreign trade, definite agreements to charge certain rates, to divide territory or regulate sailings, to pool traffic, to impose deferred rebate stipulations, etc., are very few in the domestic traffic. Chiefly because of their probable illegality under the anti-trust laws such agreements have been carefully avoided. Yet the presence of any real competition between the lines in rates is quite as difficult to find in this trade as in the foreign trade. The desired elimination of objectionable competition has been accomplished in many other ways than through the effecting of definite agreements which may not stand the test of legality. Some twenty-eight methods of controlling competition between domestic carriers by water have been referred to (see Appendix II of this volume) and most of them relate to control through (1) the acquisition of water lines by railroads or by other carriers by water, (2) the control by purchase or otherwise of accessories to the lines, and (3) the throttling of independent competitors by various special practices which make it impossible for them to secure business on advantageous terms. Where one method would not accomplish the elimination of a weak competitor another could be easily substituted; and in general one is warranted in saying that the methods of control used by domestic carriers have been quite as effective in eliminating competition in rates, if not more so, than any of the agreements prevailing in the foreign trade.

Conference arrangements in the foreign trade are binding on the members. In the domestic trade, on the contrary, traffic associations and conferences participated in by water carriers do not definitely bind the lines, i.e., there is no express agreement to observe the rates. One of the most noticeable features of the committee's investigation was the painstaking and emphatic manner in which

the representatives of domestic lines reported to the committee that their affiliation with existing traffic associations or conferences is simply for the purpose of discussion and interchange of information and opinions on matters of mutual interest, and that their rights of separate and independent action are in no way restricted. Yet the testimony before the committee showed that the rates and divisions of rates are determined at these conferences in such a manner as to cause no discrimination against any of the members. It is also noteworthy that in a number of trades where not a trace of a rate war could be found, the several lines operating on the route reported under oath that they have no understanding or working arrangement whatsoever with any of the other lines, except that each line of its own volition generally notifies the other lines of changes in its rates and receives similar notification from them. Each line may then do as it pleases. Such arrangements are truly "gentlemen's understandings," and one is prompted to ask how long it will be before definite agreements, whether written or oral, will no longer be needed.

[NOTE. In addition to the *Report on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade*, to which reference has been made repeatedly in this article, the readers attention is also called to volumes I and II of the "Proceedings of the Committee on the Merchant Marine and Fisheries in the Investigation of Shipping Combinations under House Resolution 587," and volume III of the same "Proceedings" entitled "Special Diplomatic and Consular Reports Dealing with Methods and Practices of Steamship Lines Engaged in the Foreign Carrying Trade of the United States." Volumes I and II of the Committees "Proceedings" contain the hearings before the Committee during its investigation.]

THE ADMINISTRATION AND ENFORCEMENT OF STEAMSHIP CONFERENCES AND AGREEMENTS

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"The development of a Conference," says the Report of the Royal Commission on Shipping Rings, "may be tested by the extent to which it endeavors to regulate competition between the lines included and prevent competitive wastage."¹ For example, a conference which has merely an understanding as regards freight rates has not obviously reached so high a stage of development as one which in addition to this divides and restricts the ports of call or number of sailings, pools the earnings, and uses a system of deferred rebates. It follows that the internal mechanism of a conference varies in more or less accordance with the extent to which these various arrangements are carried out.

For the sake of convenience of discussion the writer has deemed it best to divide this paper into two parts, one dealing with passenger agreements and conferences, and the other with freight agreements and conferences.

PASSENGER AGREEMENTS

Outside of the traffic between the United States and Europe but few conferences or agreements exist with regard to the transportation of passengers. Practically all other arrangements for the carriage of passengers are governed by the provisions of freight traffic agreements and cannot be discussed separately therefrom. For the purpose of this paper, therefore, the discussion will be limited to a consideration of the passenger arrangements existing in the traffic between the United States and Europe. There are several of these agreements which, broadly speaking, may be divided into two classes, major and minor. There are three major agreements: Nordantlandischer Dampfer-Linien Verband (commonly called the N. D. L. V.) Passenger Agreement, Agreement A.A., and the Mediterranean Steerage Traffic Agreement. These agreements are very lengthy

¹ *Report of the Royal Commission on Shipping Rings*, pt. I, p. 22.

and go into the greatest detail with reference to administration. The balance of the agreements are minor agreements. These are mere skeletons and are in several cases special contracts between the parties to one or more of the major agreements and some particular line or lines covering some specified portion of the passenger business.²

None of the minor agreements provides for much administrative machinery. Some expressly declare the contract to be subject to all the conditions of the major agreement governing those lines which are parties to the minor agreements.³ Hence the discussion here given must be to all intents and purposes based upon the three major agreements with only occasional references to the minor ones in those few instances where the latter contain administrative provisions. All the major and several of the minor agreements apply to steerage traffic. Two of the minor agreements, however, apply to other classes of traffic, i.e., agreement V to first class, and agreement W to second class.

One of the two main objects of a steamship conference is to regulate competition between the companies.⁴ The two features looking to this end which stand out most clearly in the passenger agreements of the lines are, first, the division of traffic among the lines, and, second, the reservation of special areas. These two features afford a convenient starting point for the discussion of the administrative arrangements of passenger agreements.

Division of Traffic and Enforcement of it Among the Lines.—Steerage and third-class business alone are subject to provisions for traffic division and arrangements necessary for the administration and enforcement of that division.⁵ The discussion in this section, therefore,

² Thus Agreement N is between the N. D. L. V. Lines and the Austro-Americana, allotting to the latter a certain portion of the steerage business.

³ Cf. Agreement G, United States of America, v. Hamburg-Amerikanische Packetfahrt Aetien-Gesellschaft and others, Petitioner's Exhibits, vol. i, art. 14, p. 93; Special Agreement B. *ibid.*, art. v, p. 114; Special Agreement A, art. iv, p. 118. As all references in the discussion of passenger agreements are taken from the above volume except where otherwise indicated only the Agreement article thereof and page number will be given in the footnotes.

⁴ *Royal Commission on Shipping Rings*, pt. II, p. 9.

⁵ Agreement V of February 5, 1908, relating to first-class business and Agreement W of the same date relating to second-class business of both minimum rate contracts do not divide traffic except in so far as the differential rates given the various lines may do so.

relates only to these classes of business. The steerage traffic of the various steamship lines is distributed among them upon a percentage basis. A certain percentage may be allotted to each line,⁶ or the lines may be divided into groups and a percentage allotted to each group,⁷ or a combination of these two methods may be used, certain lines receiving each a specific percentage and another or other specific percentages being allotted to a group or groups of lines.⁸ Agreement G, regarding third-class passenger business, is of the last type, which is the most prevalent.⁹ In some cases, the percental participation allotted is based upon averages of the passengers carried over a period of years as is the case in the N. D. L. V. Agreement and in Agreements L and G.¹⁰ In certain other cases, the participation allotted is made conditional upon a certain number of sailings per annum as in the Mediterranean Steerage Agreement, Special Agreement B and Agreement N.¹¹

No matter in what way the percentages are distributed, the methods of enforcing the allotments upon the lines are identical in requiring the payment of a compensation price of so much per head for all excess of allotted percentages. This compensation price varies. Under Special Agreement A between the Italian Line and the Transatlantic, American, and White Star Lines, covering Italian and Oriental steerage passengers, it is as low as 75 lire (about \$15).¹² Under Agreement L between the N. D. L. V. Lines and the Transatlantic and American Lines, covering eastbound steerage traffic, the price is even lower, being only 40 marks (about \$10).¹³ On the other hand

⁶ Agreement AA, article iii, pp. 52-53.

⁷ Mediterranean Steerage-Traffic Agreement, pp. 95-96.

⁸ Contract, North Atlantic Steamship Lines Assn. (N. D. L. V.) Passenger Agreement, art. iii, pp. 5-7; Agreement L (eastbound pool), arts. i and iii, pp. 84-87; Special Agreement B (Italian lines, Cunard, and Austro-Americana), art. ii, p. 114; and also p. 113; Special Agreement A (Italian lines, Cie. Gen. Trans-Atlantique, American, and White Star), art. ii, pp. 117-118; Agreement N (N. D. L. V. lines and Austro-Americana), art. i and ii, pp. 121.

⁹ Agreement G (N. D. L. V. lines and Cie. Gen. Trans-Atlantique), arts. ii and iii, pp. 90-91.

¹⁰ N. D. L. V. Agreement, art. iii and commentary pp. 5-6; Agreement L, arts. i and iii, pp. 84-87; Agreement G, art. ii, p. 90.

¹¹ The Mediterranean Steerage Traffic Agreement, art. iii, pp. 96-97; Special Agreement B, art. iii, p. 114; Agreement N, art. ii, p. 120.

¹² Special Agreement A, art. iii, p. 118.

¹³ Agreement L, art. iv, p. 87.

the compensation price is often much greater. It is 100 marks (about \$25) under Agreement N between the N. D. L. V. Lines and the Austro-Americana, covering the steerage business of Trieste and other Adriatic ports.¹⁴ The other agreements fix compensation prices between those mentioned which seem to constitute the lower and upper limits.

By the terms of the three major agreements each line undertakes to arrange its service in such a manner that the number of steeragers which it actually carries corresponds as nearly as possible with the number allotted to it in the agreement.¹⁵ From an administrative point of view the necessity of any such provision may be questioned. The inevitable tendency of the compensation price is to eliminate any attempts to exceed allotted percentages either by a reduction of rates or otherwise.¹⁶ The various lines, therefore, might reasonably be expected to adjust their respective services to their allotments without such a requirement.

Still other administrative rules are provided looking to the enforcement of percentage allotments. The N. D. L. V. Agreement, for example, declares that in case the results show that any of the lines have exceeded their proportions or have remained below them, such lines are entitled and in duty bound to adopt measures¹⁷ calculated to bring about a correct adjustment; but before putting into effect any such measures, each line is obliged to inform the secretary of the arrangements that are about to be adopted.¹⁸ Provisions of a like character are to be found both in Agreement AA and the Mediterranean Steerage Traffic Agreement.¹⁹ In the case of the last mentioned agreement any other action looking to the enforcement of percentage allotments is out of the question until the effect which is produced by the measures adopted appears. If the desired result is not pro-

¹⁴ Agreement N, art. iv, p. 121.

¹⁵ Cf. N. D. L. V. Agreement, art. xv, p. 20; Agreement AA, art. ix, p. 58; Mediterranean Steerage Traffic Agreement, art. viii, p. 99.

¹⁶ Cf. testimony of P. A. S. Franklin, "Proceedings of the Committee on the Merchant Marine and Fisheries in the Investigation of Shipping Combinations," 1913, pp. 582, ff.

¹⁷ Such measures are usually an increase in the rates charged by the line or lines overcarrying rather than a reduction by the lines undercarried. Cf. testimony of P. A. S. Franklin, "Investigation of Shipping Combinations," p. 582.

¹⁸ N. D. L. V. Agreement, art. xvii, p. 21.

¹⁹ Agreement AA, art. xi, p. 59; Med. Steerage Traf. Agreement, art. x, p. 100.

duced, both groups of lines must come together and decide what suitable measures shall be taken.²⁰ On the other hand, the lines are not in all cases bound to await the results of measures which have been voluntarily taken by a given line to adjust its carrying to its allotment. Under the N. D. L. V. Agreement, the Board of Secretaries instead of doing this may direct other or more forcible measures to be put in operation, which measures, however, can refer only to rates and / or commissions. In such case the line or lines are bound to put these measures into force without delay or demur nor is there any appeal against the decision of the Board of Secretaries in this matter. If the lines themselves fail to propose the adoption of measures, the Board of Secretaries may act on their own initiative and proceed to take steps looking to an adjustment of the traffic, such as directing that rates shall be raised or commissions modified.²¹

Under the terms of Agreement AA the various other lines "are entitled" to await the result of measures which are taken by a line to adjust itself to its allotment, except in so far as they may represent 75 per cent of the shares, in which case they may, like the Board of Secretaries of the N. D. L. V., direct other and more forcible measures to be set in motion. These measures may relate only to rates and they must be put into effect immediately and without protest. If a line itself does not propose measures of adjustment, these may be ordered by a majority of the lines representing 75 per cent of the shares, which majority may direct either an increase or a reduction of rates.²²

Still further provisions for allotment enforcement are found in the N. D. L. V. Agreement. Each line is entitled to call for the intervention of the Board of Secretaries whenever the line itself or any of the other lines are 10 per cent above or below their allotted percentages in any one month. If a line has a shortage of over 20 per cent, the Board of Presidents, if asked to do so by any one line, is required to investigate, in order to determine whether the shortage has been caused by measures or omissions on the part of the line showing the shortage. If the shortage is due to any fault upon the part of the line, the Board of Presidents may, by unanimous vote, direct the removal of the cause

²⁰ Med. Steerage Traf. Agreement, art. x, p. 100.

²¹ N. D. L. V. Agreement, art. xvii and commentary, p. 21.

²² Agreement AA, art. xi, and commentary, p. 59.

thereof, upon penalty of a reduction of percental participation, the amount of such reduction being named at the time.²³

Administrative Features of Percental Participation.—For the purpose of the compilation of compensation accounts, Agreement AA and both the N. D. L. V. and the Mediterranean Steerage Traffic agreements require the lines to furnish to the secretary on the seventh, fifteenth, twenty-third, and last day of each month statistics of steerage passengers²⁴ carried.²⁵ In Agreement L it is specified that the lines shall make weekly returns to the secretary, no dates being mentioned.²⁶ From the data thus furnished him, the secretary must supply the lines weekly with the statistics of passengers carried, and monthly with a statement of the position of the lines versus each other. In the case of the N. D. L. V. and AA agreements, these monthly statements must be in the hands of the lines not later than the fifteenth day of the month after that for which they are made. In the case of the Mediterranean Steerage Traffic Agreement the tenth, instead of the fifteenth, of the month is specified.²⁷

The actual payment of compensation money for exceeding percentages is sometimes made monthly on the basis of provisional compensation accounts which are made out by the secretary. Where this is the case, the payments must be made within a fortnight of the receipt of the secretary's notice. In the agreements where the above rules govern, final settlements must be made at the end of the year on the basis of a compensation account prepared by the secretary and embracing the entire year. If there are any objections to this final account, they must be made within four weeks.²⁸ In the N. D. L. V. Agreement no provisional compensation accounts are provided for,

²³ N. D. L. V. Agreement, art. xviii, pp. 21-22. A shortage might occur owing to culpable management in neglecting overhaul and repairs, or through failure adequately to clean and ventilate steerage spaces which have been used for the transportation of cattle.

²⁴ Passengers carried in any intermediate class between steerage and cabin, and in some cases even cabin passengers, are ranked as steeragers unless paying at least a certain stipulated fare.

²⁵ N. D. L. V. Agreement, art. xvi, p. 20; Agreement AA, art. x, p. 58; Mediterranean Steerage Traffic Agreement, art. ix, p. 100.

²⁶ Agreement L, art. viii, p. 89.

²⁷ N. D. L. V. Agreement, art. xvi, p. 20; Agreement AA, art. x, p. 58; Med. Steer. Traf. Agreement, art. ix, p. 100.

²⁸ Agreement AA, art. viii, p. 57; Med. Steer. Traf. Agreement, art. vii, p. 99.

but compensation is effected at the end of each year on the basis of a compensation account prepared by the Board of Secretaries, which account must be settled within fourteen days. Objections to accounts must be submitted to the Board of Secretaries.²⁹ Under none of the agreements do objections to the correctness of accounts release the line or lines from the obligation to effect a provisional settlement.

Reservation of Special Areas.—One of the most important methods of preventing competition between the lines embraced in the various steamship conferences is by the reservation of special areas. At the time of the formation of a conference it not infrequently happens that a given line has for some time largely controlled the trade from a certain port or ports. When the conference is organized it is, therefore, often based upon a recognition of these existing interests. The N. D. L. V. Agreement is an example of this kind of an arrangement. In this agreement Bremen and all ports of the Weser are reserved to the North German Lloyd; Hamburg, Cuxhaven and all other ports of the Elbe, Stettin, and all ports of the Oder, and Havre to the Hamburg-American; Antwerp, the ports of the Schelde, Flushing, and Terneuzen included, and the entire coast of Belgium, to the Red Star; the entire coast of Holland, Flushing, and Terneuzen, included, and Boulogne-sur-Mer to the Rotterdam Line. The lines expressly bind themselves not to call either outward or inward at any home or adjacent port to which vessels of the other lines are sailing. The maintenance of this condition is regarded as so important that its contravention entitles the line whose trade is thus infringed upon to withdraw from the conference. The line infringing is regarded as having acted in such a manner as to render the continuance of the contract impossible and a penalty for this is applied.³⁰

Similarly Agreement G on third-class traffic between the N. D. L. V. and Cie. Gen. Transatlantique reserves to the latter the direct passenger business of Havre and all other French-Atlantic and channel ports except Cherbourg and Boulogne.³¹

Administrative Organization and Functions.—The principal administrative authority of passenger agreements and conferences is usually

²⁹ N. D. L. V. Agreement, art. xiv, p. 19.

³⁰ Cf. section on Guaranties and Penalties, N. D. L. V. Agreement, art. xxxi and commentary, pp. 34-35.

³¹ Agreement G., art. 10, p. 92.

the secretary.³² In the cases of the minor agreements where one or more of the parties is also a party to one of the major agreements, the secretary of the latter frequently acts as the secretary of the minor agreement. Thus Agreement L (between the N. D. L. V., and Transatlantic and American lines) and Agreement N (N. D. L. V. and Austro-Americana) both allot the secretarial duties to the secretary of the N. D. L. V. Agreement.³³

Three of the passenger agreements enumerate the functions of the secretary. From these enumerations we may summarize the duties of this officer somewhat as follows: (1) To receive and examine the statistical statements of the lines, as also the accounts, and to communicate both to the lines concerned. For this purpose the secretary is given access to the passenger offices of the lines, where he may examine all books, papers, correspondence, etc. (2) To collect the payment of penalties. (3) To effect the compensation accounts. (4) To control steerage prices (in the Mediterranean Steerage Traffic Agreement he controls commissions in addition). (5) To call meetings of the lines and to keep the minutes thereof. (6) To act as mediator in general in the transactions between the lines so far as the transactions relate to the contracts involved, and to use every effort to settle difficulties amicably. In addition by the terms of the N. D. L. V. Agreement the secretary is to act as mediator between the lines and the Boards of Presidents and Secretaries. The duties of the secretary require unprejudiced judgment. Both the AA and N. D. L. V. agreements require that he shall be entirely and in every respect independent of the parties to the contract. The Mediterranean Steerage Traffic Agreement provides that the secretary shall fulfill his duties in an unbiased manner. The salary of the secretary is paid by the parties to the contract in equal parts.³⁴

The N. D. L. V. Agreement differs from the other agreements in the matter of having a Board of Secretaries. Besides the secretary, there is a vice-secretary and a second vice-secretary. The post of

³² Agreement AA, art. xxiii, p. 67; Med. Steer. Traf. Agreement, art. xxv, p. 107.

³³ Agreement L, art. viii, p. 89; Agreement N, art. v and vi, p. 121.

³⁴ Where groups of lines constitute one or more parties, each group apparently counts as one party. This summary of the duties and functions of the secretary is made from the following: N. D. L. V. Agreement, art. xxxiv, p. 37; Agreement AA, art. xxiii, pp. 67-68; Med. Steer. Traf. Agreement, art. xxvi, pp. 107-108.

vice-secretary is filled by persons delegated by the lines, and who rotate in office according to the alphabetical order of the firms of the lines. The vice-secretary and second vice-secretary take the place of the secretary whenever the latter is unable to act. When the decisions of the secretary are not recognized and accepted by all the lines, the vice-secretaries are to decide jointly with the secretary by a majority, and the decision thus made is finally binding upon all the lines. Neither the vice-secretary nor the second vice-secretary can decide in matters in which their own lines are interested. In such cases their functions devolve upon the vice-secretaries next on the list. The expenses of the Board of Secretaries are paid by the lines in proportion to the percentage allotment of each.³⁵

Not unanalogous to the Board of Directors of a corporation is the Board of Presidents of the N. D. L. V. Agreement. "The Board of Presidents," so runs the contract, "has to take charge of all important and general questions." It consists of a delegate of each line, such delegate belonging, if possible, to either the Board of Managers, Board of Directors or Board of Surveillance of the line. The chairmanship is held for a term of three months according to the alphabetical order of the firms of the lines. This Board votes by majority, except in certain special cases, and if the vote is equally divided, the vote of the chairman gives a majority. Particularly, the Board of Presidents is required to take charge of: (1) the examination and management of all matters concerning bank deposits; (2) the appointment and dismissal of the secretary; (3) the fixing of penalties; (4) alterations and additions to the contract; (5) the admission of new members, conventions with other lines, and the measures to be adopted in case of exits occurring; (6) measures to be adopted in event of competition arising; and (7) settlement of differences which cannot be effected by the Board of Secretaries.³⁶

No administrative authority similar to the Board of Presidents is provided for in Agreement AA, but the Mediterranean Steerage Traffic Agreement has an administrative authority known as the Delegates of the Lines, who have full power to make binding arrangements on behalf of each of their respective companies, and to sign for the same. Decisions are taken by the delegates by a majority of

³⁵ N. D. L. V. Agreement, art. xxxiv, p. 38.

³⁶ N. D. L. V. Agreement, art. xxxv, pp. 39-40.

two-thirds of the lines, except where otherwise provided for under the contract.³⁷

The only other administrative authority provided for in passenger agreements is an arbitrator or arbitrators. The N. D. L. V. Agreement appoints as arbitrator the acting chairman of the board of the Chamber of Lawyers in Cologne, or in event of his refusal or inability to act, he is to be replaced by the individual who is his substitute for the chairmanship. Should neither of these officials be available, the president of the Cologne Chamber of Commerce is declared to be or else shall nominate the arbitrator.³⁸ Instead of a single arbitrator, a Board of Arbitrators may be provided for. By the terms of Agreement AA, unless the parties in dispute mutually agree to the appointment of a single arbitrator within fourteen days, each must name in writing without delay, an arbitrator to act on its behalf, and the two arbitrators thus chosen shall appoint an umpire. If they cannot agree upon an umpire, this official shall be nominated by the president of the Board of Trade, if the arbitration takes place in England, and by the President of the Hanseatic Court of Appeal if the arbitration takes place in Germany. If either fails to appoint an arbitrator within twenty-one days after notice of the intended reference has been given, and for seven days after service of notice in writing by the other disputing party or parties appointing his or their arbitrator, then the one arbitrator chosen may, if required to do so by the one who appointed him, act as sole arbitrator, and his decision shall be final and binding.³⁹

The arbitration provisions found in Agreements W and B on second-class business are identical with those of Agreement AA, except that they contain no arrangements for the designation of an umpire in case the two arbitrators fail to agree upon one.⁴⁰ In the Mediterranean Steerage Traffic Agreement the disputing parties are each required to name an arbitrator, the two to choose an umpire from the list of three gentlemen who are named in the agreement. In case they cannot agree upon an umpire the matter is decided by lot. Failure upon the part of a line to appoint an arbitrator is adjusted in the same way as under Agreement AA.⁴¹

³⁷ Med. Steer. Traf. Agreement, art. xxvii, p. 109.

³⁸ N. D. L. V. Agreement, art. xxxvi, pp. 40-41.

³⁹ Agreement AA, art. xxiv, p. 69.

⁴⁰ Agreement W., art. 16, pp. 140-141 and Agreement V., art. 20, pp. 151-152.

⁴¹ Med. Steer. Traf. Agreement, art. xxix, pp. 109-110.

No line has the right in matters pertaining to the contract to which it is a party to summon another line before the judicial courts.⁴² In lieu of this all differences are submitted to arbitration by the officials just described. In case differences cannot be settled amicably, any line has the right to call for arbitration.⁴³

In the N. D. L. V. Agreement notice of an appeal to the arbitrator against the decision of the Board of Presidents must be communicated to the secretary within fourteen days after such a decision. It must be addressed to him by registered letter, and he is bound to communicate it within three days to the arbitrator and to inform all lines immediately. The Mediterranean Steerage Traffic Agreement contains similar provisions, except that no time within which the appeal must be filed is mentioned. Under Agreement AA notice of an intention to prefer a claim must be given within a reasonable time to the party complained of, signed either by or in behalf of the complaining party and stating the nature and particulars of the complaint. This notice is deemed properly served if sent by registered mail to the office of the line in England or on the Continent. Copies are to be sent also to the secretary, whose duty it is to inform the other parties. Identically the same arrangements as these appear in Agreements V and W, except that the secretary is not required to inform the other party in regard to the complaint.⁴⁴

The N. D. L. V. and Mediterranean Steerage agreements specify that the arbitrator in the first case, and the arbitrators in the second case, must give to both parties the opportunity to be heard before making an award, and also that the award is to be accompanied by a written argument setting forth the ground upon which it is made. It is also expressly stated in both these agreements that the arbitrator or arbitrators are not bound to the observance of rules of legal procedure and the methods of taking evidence, and the method of procedure adopted for the ascertainment of facts is left to their conscientious decision. Under Agreement AA and also the Mediterranean Steerage Agreement, the arbitrator or arbitrators, not-

⁴² N. D. L. V. Agreement, art. xxxvi, p. 41; Med. Steer. Traf. Agreement, art. xxix, p. 109.

⁴³ Except in one or two classes of cases, where the decisions of some other authority may have been made final and binding. Cf. N. D. L. V. Agreement, art. xxxvi, p. 41.

⁴⁴ Agreement W., art. xvi, p. 40; Agreement V, art. xx, p. 51.

withstanding the fact that they may have made and published an award, have the power to reconsider the same and to make a new award provided satisfactory cause is shown within a certain time. The same is also true of Agreements V and W with reference to first- and second-class business respectively.⁴⁵ This condition, however, does not appear in the N. D. L. V. Agreement. Finally, the arbitration award is declared by all three of the major agreements to be equivalent to a legal judgment given by a court of last resort, and all parties relinquish all and every right to employ against the award legal means of any character whatsoever.⁴⁶

Guarantees and Penalties.—The adherence of the various signatories to the conditions of the passenger agreements is usually obtained by the requirement of a heavy guaranty which must be furnished by each line. Under the N. D. L. V. Agreement the lines must make the deposits in cash or negotiable securities. This deposit is in each case based upon about 20,000 marks for each participation quota of one per cent.⁴⁷ In Agreement AA each party deposits a promissory note for £1,000 for each one per cent of participation, payable only if accompanied by an award.⁴⁸ The Mediterranean Steerage Agreement requires each line, without regard to percental participation, to deposit a bank guaranty of 125,000 liras, payable only on an order signed by the secretary and the umpire of the arbitrators who has pronounced the award.⁴⁹ The funds thus deposited are regarded as liquidated damages and are entirely forfeited if any line making a deposit unduly withdraws from the contract before its expiration or resorts to actions which render its continuance impossible and which are therefore considered equivalent to a withdrawal. Acts of the latter character would be, for example, a refusal to pay compensation money; to replenish deposits in due time; assisting to start a new line which might interfere with the trade, etc.⁵⁰

⁴⁵ Agreement W, art. xvi, p. 142; Agreement V, art. xx, p. 153.

⁴⁶ N. D. L. V. Agreement, art. xxxvi, pp. 41-42; Agreement AA, art. xxiv, pp. 68-70; Med. Steer. Traf. Agreement, art. xxix, pp. 109-111.

⁴⁷ N. D. L. V. Agreement, art. xxv and commentary, p. 28.

⁴⁸ Agreement AA, art. xvii, p. 64.

⁴⁹ Med. Steer. Traf. Agreement, art. xx, p. 105. Compare also Special Agreements A, art. v, p. 118, and B, art. vi, pp. 114-115, requiring a guarantee of the same amount.

⁵⁰ N. D. L. V. Agreement, art. xxvii, pp. 31-32; Agreement AA, art. xviii, p. 64; Med. Steer. Traf. Agreement, art. xxi, pp. 105-106.

In case of an infraction or contravention of the agreement, the penalty therefor is fixed by the arbitrator under both the Mediterranean Steerage and AA agreements. In Agreements V and W it is also fixed by the arbitrator or arbitrators. By the terms of the N. D. L. V. Agreement the penalty is first fixed by the Board of Presidents, but if their decision is not accepted, it is fixed by the arbitrator. The minimum penalties are 5,000 liras, £250, and 5000 marks under the Mediterranean Steerage, AA, and N. D. L. V. agreements, respectively. No maximum is mentioned in the N. D. L. V. Agreement, while the other two major agreements stipulate that in no one case shall they exceed the full amount of the deposit. Agreements V and W, being only rate agreements, prescribe much lower penalties than are fixed by the major agreements. In each case the fine for violation by any party may not be less than £50 nor more than £500 sterling. In case of a violation by any agent the fine shall not be less than £5 nor more than £100.

In case of a willful or designed contravention or infraction, and especially a willful or intentionally incorrect statement of statistics in the case of the major agreements the penalty is large, being no less than 50,000 marks under the N. D. L. V. Agreement, 50,000 liras under the Mediterranean Steerage Agreement, and £2500 under Agreement AA. Unless the penalty provided in the major agreements is paid within eight days, the deposit is drawn upon for the required amount.⁵¹

Penalties or deposits when the latter are forfeited, are distributed by the N. D. L. V. and AA agreements to the line or lines having claims to compensation, who receive satisfaction out of the same pro rata to their claims. Any surplus remaining is then divided among the lines, excluding the penalized line or lines, proportionately to their participation quotas. No rules for distribution appear in the Mediterranean Steerage Agreement. In the N. D. L. V. Agreement it is further provided that the mere fact that a line has applied to an arbitrator for an award does not free it from the immediate payment of a penalty.⁵² In the event of a deposit having been forfeited in part or

⁵¹ N. D. L. V. Agreement, art. xxix, p. 33; Agreement AA, art. xx, p. 65; Med. Steer. Traf. Agreement, art. xxii, p. 106. Agreement W, art. xvi, p. 141; Agreement W, art. xx, p. 152.

⁵² N. D. L. V. Agreement, arts. xxviii and xxix, pp. 32-33; Agreement AA, arts. xix and xx, p. 65.

in whole, the same must be replenished up to its full amount within fourteen days thereafter.⁵³

Advertising.—The parties to the N. D. L. V. and AA agreements undertake to comply with article 8 of "The General Rules, Third Series, of the Continental Conference" which provide that "No circulars or publication shall be issued by any line reflecting upon or instituting comparisons with any Conference Line unfavorable to the latter, and no party hereto shall support any newspaper which may systematically attack any Conference Line." A clause similarly worded is found in the Mediterranean Steerage Agreement.

It is explained in the AA and N. D. L. V. agreements that the article of the Continental Conference, just cited, has stood the test of many years of actual working, and that it was agreed that the language "support any newspaper" should be expressly understood to mean that no advertising be given to such newspaper. Further regulations stipulate that the lines shall send to the secretary any printed matter and circulars relating to the steerage business (in the Mediterranean Agreement any relating to steerage and second-cabin business). The Mediterranean Steerage, though not the AA and N. D. L. V. agreements, require that a sufficient number of circulars be sent to the secretary to enable him to supply a copy to each one of the parties. Agreement W which is a rate agreement upon second-class business requires that in the case of steamers carrying only second-class passengers, this fact must appear in all advertising, circulars or other printed matter without any reference to such passengers enjoying so-called first-class or saloon privileges.⁵⁴

Regulation of Agents.—The lines are bound by the terms of the various agreements to be responsible for their agents, employees, and representatives in respect to the contracts. Parties to the N. D. L. V. Agreement are bound, upon the demand of the Board of Secretaries immediately to dismiss an agent who has violated the conditions of the contract in regard to advertising. The same regulation exists in Agreement AA, except that no demand is made upon the lines, as in the N. D. L. V. Agreement. The terms of the Mediterranean

⁵³ N. D. L. V. Agreement, art. xxx, p. 34; Agreement AA, art. xxi, p. 66; Med. Steer. Traf. Agreement, art. xxiii, pp. 106-107.

⁵⁴ N. D. L. V. Agreement, art. xxiv and commentary, p. 27; Agreement AA, art. xvi and commentary, p. 63; Med. Steer. Traf. Agreement, art. xviii, p. 104; Agreement W, art. ix, p. 138.

Steerage contract are even broader. After declaring the lines responsible for agents, etc., it provides for the infliction of a fine upon any agents guilty of *any* infraction of the agreement and orders the disqualification of the agent upon a repetition of his offence. The Mediterranean contract further forbids the agents of the lines to book passengers for any opposition line, or to be interested therein, upon penalty of disqualification. Both the N. D. L. V. and AA agreements forbid the engaging by any of the other lines of the agent of a line who has been dismissed for violating the conditions in regard to advertising, nor are the parties to these agreements allowed to have business connections of any sort whatsoever with such an agent.⁵⁵ Definite commissions to agents are also prescribed in the various contracts.⁵⁶

The Admission of New Lines and the Alteration of Existing Agreements.—Other lines may be admitted as parties to the various agreements with the unanimous consent of all the lines⁵⁷ (in the case of the N. D. L. V. Agreement, with the unanimous consent of the Board of Presidents, which is practically equivalent to the unanimous consent of the lines.) The same rule prevails in regard to all alterations and additions to the contract, which to be valid and binding upon the lines, however, must have the written consent of the lines.⁵⁸

Two of the major passenger agreements, the AA and N. D. L. V., are for three years, and all three are to continue from year to year, except when notice of intention to terminate is given by one of the lines a certain number of months previously. The original Mediterranean Steerage contract is for two years. The withdrawal of any line automatically releases the other lines from all obligations under the contract (except the payment of compensation money in the AA and Mediterranean agreements), unless the other lines agree to continue the contract under the same or other terms.⁵⁹ Among the minor

⁵⁵ N. D. L. V. Agreement, art. xxiv and commentary, p. 27; Agreement AA, art. xvi and commentary, p. 63; Med. Steer. Traf. Agreement, art. xix, p. 105.

⁵⁶ N. D. L. V. Agreement, art. xxii, p. 25; Agreement AA, art. xiv, p. 61; Med. Steer. Traf. Agreement, arts. xii and xiii, p. 101; Agreement W, art. xi, pp. 138-139; Agreement V, art. xiii, pp. 149-150.

⁵⁷ Agreement AA reads that the vote must be unanimous unless otherwise provided for in the contract.

⁵⁸ N. D. L. V. Agreement, art. xxxii, p. 36; Agreement AA, art. xxii, pp. 66-67; Med. Steer. Traf. Agreement, art. xxiv, p. 107.

⁵⁹ N. D. L. V. Agreement, art. xli, pp. 46-47; Agreement AA, art. xxvii, p. 73; Med. Steer. Traf. Agreement, arts. xxxii and xxxiii, p. 112.

agreements, Special Agreement B⁶⁰ and Agreement L⁶¹ were each originally concluded for one year; Special Agreement A⁶² for two years; Agreements V⁶³ and W⁶⁴ for three years; and Agreement N⁶⁵ for four years. All are to continue from year to year unless notice of discontinuance be given a certain period previous to the date of termination.

Conference Meetings.—The meetings of the various lines are convened by the secretary. The AA Agreement alone provides definite dates for regular meetings, i.e., the first Thursday of March and December, although the Mediterranean Agreement provides that they be held, if possible, at least once in six months. The last mentioned agreement also leaves to the discretion of the parties the designation of the place of meeting. Meetings of the lines governed by Agreement AA are held alternately at London and Cologne, commencing with Cologne. Meetings of the lines parties to the N. D. L. V. Agreement are held at Cologne, unless another place is agreed upon. All meetings under the N. D. L. V. Agreement are, and special meetings under the other two agreements may be, demanded by the lines, and must be held within certain periods of time varying in accordance with the number of lines requesting a meeting. The subjects to be dealt with at such meeting must be made known to all parties concerned several days before the meeting. The parties present form a quorum irrespective of the number, but resolutions upon subjects not mentioned in the notification cannot be taken under the N. D. L. V. Agreement, even though all the parties present agree, nor can such resolutions be taken under Agreement AA unless all parties to the contract are represented and agree. By the terms of the Mediterranean Agreement resolutions on subjects not notified to the lines become valid only when unanimously agreed to by all the lines.

In all cases resolutions on subjects transmitted by the secretary can be taken by a vote given in writing, provided no one objects to such a manner of voting. Decisions under the Mediterranean Agreement are made by a majority of two-thirds of the lines, except when

⁶⁰ Art. vii, p. 115.

⁶¹ Art. x, p. 89.

⁶² Art. vi, pp. 118-119.

⁶³ Arts. xvi and xvii, p. 150.

⁶⁴ Arts. xiii and xiv, p. 140.

⁶⁵ Art. xix, p. 125.

otherwise provided, and under the N. D. L. V. and AA agreements the parties present are required to sign the minutes.⁶⁶

Meeting Competition.—The various passenger agreements are practically silent as regards methods of meeting competition. The only information to be gathered upon this subject is from the testimony in the suit brought by the federal government against the trans-Atlantic steamship lines. According to a letter dated May 28, 1908, written by the Holland-America Line in New York to the Holland-America Line in Rotterdam, certain instructions were received from Mr. H. Peters, the Conference Secretary, after a meeting of the Atlantic Conference. These instructions were to the effect that the Conference had resolved that opposition steamers were to be appointed by vote of a majority of the members of the North Atlantic and Continental Conferences, in New York, the chairman to have the casting vote in event of an equal division. The members were to be guided in their vote by the suitability of the steamers. Other things being nearly equal, steamers sailing direct for the Continent for the parties short or most short were to be appointed. The New York conference was given full power to appoint "a small committee" to carry out these arrangements. If more passengers were booked for a fighting steamer than it could carry, the excess was to be transferred to other suitable conference steamers.

Following these instructions, which were received by cable, meetings of the general managers and passenger agents were held, and "a small committee" consisting of three members, was appointed for the selection of competitive steamers. It was further agreed that the passenger managers should serve on this committee in rotation. Apparently, judging from this letter and the testimony of Mr. Nyland, the function of "the small committee" was to suggest steamers for meeting competition, the final decision in appointing these steamers, however, resting in the hands of the majority of the members of the North Atlantic and Continental Conferences, as above mentioned. The steamers so selected were to sail upon the same days and between the same ports as the independent steamers. The rate offered by the opposition steamer or steamers of the conferences appears to have been nearly always as low, and sometimes lower, than that offered by the independent line. Moreover, the Conference opposi-

⁶⁶ N. D. L. V. Agreement, art. xxxix, pp. 44-45; Agreement AA, art. xxv, pp. 71-72; Med. Steer. Traf. Agreement, art. xxvii, pp. 108-109.

tion steamer usually had an advantage through the fact that its steerage accommodations were often, if not always, superior to those of the independent carrier. The evidence seems to show that such opposition sailings were repeatedly used against the Russian Volunteer Fleet, the Uranium Steamship Co., and the Russian East Asiatic Line.⁶⁷ The expenses and loss from the lower rates resulting to any line whose vessels had been selected as opposition steamers were distributed over the membership of the conference. In this way each conference member suffered much less than the single line which was fighting the group.⁶⁸

FREIGHT CONFERENCES AND AGREEMENTS

The ramifications of freight conferences and agreements are much wider than are those of passenger arrangements. Agreements of the latter kind are comparatively few. The former are very numerous and therefore the difficulty of an adequate discussion of their administrative features is considerably greater.

Division of Traffic.—In the preceding section the regulation of competition between the conference lines was made the starting point of the discussion. Under the passenger agreements the principal method of regulating this competition is by a division of the traffic among the lines, a certain percentage of the passengers carried being allotted to each line. An approach to this practise in the freight traffic is the division of sailings or loadings among the various lines that are parties to an agreement. Thus, on a basis of 41 sailings in the American-Asiatic trade, eastbound, the following division was effected:

United States & China-Japan Line	13
Barber & Co.	13
American & Oriental Steamship Co.	8
American-Asiatic Steamship Co.	7
	<hr/> 41 ⁶⁹

⁶⁷ Petitioner's Exhibit, No. 27, vol. i, pp. 272-273, and testimony of A. C. H. Nyland, Petitioner's Testimony, U. S. v. Hamburg-Americanische Packetfahrt-Actien Gesellschaft, vol. i, pp. 452, ff.

⁶⁸ *Report on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade*, vol. iv: "Proceedings of the Committee on the Merchant Marine and Fisheries in the Investigation of Shipping Combinations," p. 46.

⁶⁹ Memorandum of Agreement (called the eastward agreement) regarding the trade between the Atlantic ports of the United States of America and eastern

Similarly, in the South American trade between the ports of the United States and Brazil and vice versa, Lamport & Holt, the Prince Line, and the combined Hamburg lines, were each allotted 24 sailings *outwards* per annum.⁷⁰

Instead of dividing traffic by dividing the sailings in the trade, traffic arrangements may be made whereby it is agreed that the tonnage in a given trade shall be supplied in certain proportions by the lines engaged therein. Thus, in the oral agreement between the lines engaged in the American-Australian trade, tonnage is furnished by the different parties as follows: 42½ per cent by the American & Australian Line; 35 per cent by the United Tyser Line; and 22½ per cent by the United States and Australasia Company.⁷¹

It is not necessary, however, that a percentage basis should be used in distributing tonnage. In the outward trade between the United States and South and East Africa, the proportion of tonnage furnished is distributed by fractions, as follows: Union Castle Mail Steamship Co., Ltd., two-sevenths; Bucknall Steamship Line, Ltd., one-seventh; Clan Line, one-seventh; Hansa Line, one-seventh; Houston Line, one-seventh and the Prince Line, one-seventh.⁷²

Pooling.—Further restriction of competition among the various lines is secured by dividing the freight money which is received, or portions thereof, in certain agreed proportions among the lines. In the case of the N. D. L. V. Westbound Freight Agreement the percentages of the pool allotted to each line were originally determined from the statements of the lines as to their freight receipts in the years 1891, 1892 and 1893.⁷³ The same method of determining percentages also obtains in the Baltic pools.⁷⁴

Percental participation in the pooling of earnings may be provided

Asiatic ports, Exhibit I, United States of America, *v.* American-Asiatic Steamship Co. et al., Petition, U. S. D. C. for the Southern District of New York, p. 27.

⁷⁰ Memorandum of Agreement, Exhibit I, United States of America *v.* Prince Line, Ltd., et al., Petition, U. S. D. C. for the Southern District of New York, p. 22.

⁷¹ "Proceedings of the Committee on the Merchant Marine and Fisheries in the Investigation of Shipping Combinations," ii, 1386. All footnotes in the discussion of freight agreements refer to this report, except where otherwise specified. Volume and page numbers alone, therefore, will be used.

⁷² II, 1388.

⁷³ I, 592.

⁷⁴ II, 1376.

for, however, upon a different basis. In the American-Australian direct trade from New York, the percentage allowed each line in pooling is based upon the tonnage furnished by the lines which are parties to the oral agreement. The same is true of the direct service from the United States to South and East African ports.⁷⁵ Again, in the trade between the United States and Brazil the pooling agreement of 1908 divided freight in the same proportion as the number of sailings were divided.⁷⁶

It seems to be customary to allot a specific share of the pool to each line, though in the Mediterranean Agreement governing freight shipments from Italy and Sicily to the United States the lines are divided into two groups and a specific share is allotted to each group.⁷⁷

The freight money that is pooled or divided among the lines may be the total freight, which is the case under the N. D. L. V. Agreement,⁷⁸ the net freight, as in the American-Asiatic trade via Suez,⁷⁹ or only a portion of the freight money. An example of the last named class of pooling arrangements is found in the agreement between the Hamburg-American and the Royal Mail Steam Packet Company governing the traffic to and from New York and Jamaica, Colombian ports and Colon, whereby 50 per cent of the earnings (excepting those on certain specified commodities) are pooled.⁸⁰ In the New York-West African trade 25 per cent of all freight and passenger receipts is allowed the carrying steamer, and the balance is pooled.⁸¹ In the Baltic pools still a different arrangement exists. In this case the pooling arrangement applies only to certain specified commodities, there being no such arrangement for the traffic in other commodities.⁸²

According to the Mediterranean Freight Traffic Agreement west-bound a line that has overcarried is bound to regulate its service as nearly as possible to its proportion, in order that the amount paid to or

⁷⁵ II, 1386, 1388.

⁷⁶ Exhibits I and II, *United States of America v. Prince Line, Ltd.*, Petition, pp. 22, 25.

⁷⁷ III, 64.

⁷⁸ I, 592.

⁷⁹ Exhibit III, *United States of America v. American-Asiatic Steamship Co.*, Petition, p. 38.

⁸⁰ I, 525.

⁸¹ II, 1383.

⁸² II, 1375-1376.

received from the pool may be as small as possible.⁸³ No provision for the enforcement of this rule seems to be made, however. The N. D. L. V. Westbound Freight Agreement, therefore, goes a step farther than the Mediterranean Agreement, by providing that if it appears from the monthly statements that the freight receipts of one company or another are below or above the allotted percentage, and further, that if it does not seem probable that an equalization will take place in the course of the year without special measures, the conference must try to bring about an adjustment through a regulation of rates.⁸⁴ A similar arrangement appears in the agreements governing the traffic to and from New York and Jamaica, Colombian ports, and Colon.⁸⁵

Administration of Pooling Agreements.—The administration of pooling agreements varies all the way from little or no organization at all to very complicated and elaborate arrangements. Perhaps the best example of the latter type is to be found in the Mediterranean Freight Agreement. Each line is required to forward to the assistant secretary not more than twenty days after the sailing of each steamer, "a manifest showing the number and description of packages and contents, weight in tons of 1,000 kilos, and measurement, rate of freight, gross freight, deductions on account of rebates or special commission, the resulting total net freight, the carrying freight, and the freight accruing to the pool." The assistant secretary is required to check these manifests with the tariff of rates agreed upon to see that the correct returns have been made. Copies of complete manifests of cargo must also be exchanged among the agents of the lines. At each port the agents have the privilege of nominating a party with whom the manifests shall be deposited within ten days after the sailing of a steamer, and shall there remain open for inspection by the various lines or their agents. Statements must be sent each month by the assistant secretary to the general secretary and also to each line, showing the sailings of all the lines during the previous month and the amount pooled and also the positions of each line or group, whether undercarried or overcarried, according to the share allotted to it.⁸⁶ Similarly, in the New York-Brazilian trade all accounts and manifests were required under the agreement of 1908 to be lodged as soon as possible

⁸³ III, 65.

⁸⁴ I, 593.

⁸⁵ I, 526.

⁸⁶ III, 64-65.

with the secretary, but not later than thirty days after the departure of the steamer. The secretary then made up a monthly statement showing percentages of tonnage carried, freight earned and the amount contributed to the pool by each one of the lines.⁸⁷

In the agreement between the Hamburg-American Line and the Royal Mail Steam Packet Company of October 7, 1908, the outward and inward manifests must be sent to the principals in London and Hamburg and copies exchanged between the two companies in New York. Presumably the purpose of this arrangement is for pooling.⁸⁸ In the N. D. L. V. Westbound Freight Agreement the returns which are made to the secretary are *monthly* reports and the secretary, on the basis of these, compiles the statements and transmits them to the interested parties.⁸⁹ Similarly, in the Baltic pools the returns which are made to the secretary are for each month and must be in his hands by the end of the month. The statistical statements based upon these returns must be completed by the acting secretary on or before the 15th day of the following month.⁹⁰

The American-Asiatic pooling agreement governing the traffic between Atlantic ports of the United States and the Far East via Suez requires the returns to be made up as soon as possible after the termination of each steamer's voyage eastward or westward, and these are then forwarded to T. B. Royden in Liverpool.⁹¹ In the American trade to South and East Africa no returns seem to be made. Instead the freights collected by the agents are transmitted to the principals in London, who then pool them among themselves.⁹² No provisions either for the compilation of pooling statistics or for the settlement of pooling accounts other than those requiring monthly statements are made by the Mediterranean Freight Agreement.

Settlements under the pooling arrangements are made most commonly on a half-yearly basis. This is the case in the N. D. L. V. agreement westbound, in the trade with Haiti, in the Baltic pools, and in the West African trade.⁹³ In the pooling agreement in the

⁸⁷ Exhibit II, United States of America v. Prince Line, Petition, p. 27.

⁸⁸ I, 527.

⁸⁹ I, 593.

⁹⁰ II, 1376.

⁹¹ Pooling Agreement. Exhibit III, United States of America v. American-Asiatic Steamship Co., Petition, p. 38.

⁹² II, 1388.

⁹³ I, 522, 593; II, 1376, 1384.

American-Asiatic trade via Suez and also in the former agreement between the lines in the New York-Brazilian trade, accounts and balances are prepared by the secretary on a yearly basis.⁹⁴

Reservation of Special Areas—As in the case of passenger traffic agreements, competition among the parties to freight agreements and conferences is also restricted by the reservation of special areas. In the previous section it was pointed out that the N. D. L. V. Passenger Agreement reserved certain ports to each line. The reservations made in that agreement, however, apply also to freight as well as passenger traffic.⁹⁵ The same is true of the clause in passenger agreement G reserving Havre to the Cie. Gen. Transatlantique.⁹⁶ The agreement covering the trade between the United States and Haiti reserves certain ports to each of the parties to the agreement,⁹⁷ and a similar arrangement is found in the agreement between the Royal Mail and Hamburg-American Lines covering the service between New York, Jamaica, Colombian ports and Colon⁹⁸ in both directions. Again, in the South American trade there exists a tacit understanding between the three conference lines operating to southern Brazilian ports and the Booth Line to keep the Amazon territory separate, allowing the Booth Line to occupy it exclusively.⁹⁹ A similar understanding to respect each other's territory also seems to exist between the River Plate conference lines and the Brazilian conference lines.¹⁰⁰

Determination of Rates.—Various kinds of rate arrangements and agreements are to be found in the American freight traffic to and from foreign ports. In some cases the rates are fixed by the terms of the agreement, as in the Mediterranean Westbound Agreement, or as in the N. D. L. V. Westbound Freight Agreement, which definitely prescribed certain minimum rates. The agreement between the Royal Mail and Hamburg-American Lines for the service from New York to Jamaica, Colombian ports, and Colon, and vice versa, provides for the issuance of a joint tariff by the lines serving this territory.¹⁰¹

⁹⁴ Exhibit III, United States of America *v.* American-Asiatic Steamship Co., p. 43; Exhibit II, United States of America *v.* Prince Line Ltd., p. 27.

⁹⁵ United States of America *v.* Hamburg-Americanische Packetfahrt-Aetien Gesellschaft, Petition Exhibits, vol. i, exhibit II, art. xxxi, p. 35.

⁹⁶ *Ibid.*, Exhibit V, p. 92.

⁹⁷ I, 521-522.

⁹⁸ I, 525 ff.

⁹⁹ I, 47; IV, 169.

¹⁰⁰ IV, 175.

¹⁰¹ I, 525, 593; III, 64.

Where rates are not definitely fixed by the terms of the agreement themselves, they are variously determined. In some cases the control of rates is left entirely in the hands of the agents. Thus an understanding exists among the trans-Atlantic lines with reference to minimum freight rates eastbound to the Mediterranean. These rates are fixed by the agents in New York in conference and without any dictation from abroad as to what such rates shall be.¹⁰² In the trade between the United States and Great Britain the lines running to each of the four ports of London, Liverpool, Glasgow, and Manchester, meet in conference at New York City to discuss their rates, and they file and notify each other of their minimum rates upon a large selected list of articles. A similar arrangement exists in this trade westbound.¹⁰³ Again, in the trade from the United States to the Far East via Suez, the rates eastward are controlled by the agents in New York, who before naming or altering a rate must confer among themselves and agree as to the rates to be named or reduction to be made. Similarly, rates westward from all ports east of Singapore are determined by the Hong Kong agents in conference, and from Singapore and Penang by the Singapore agents in conference.¹⁰⁴

On the other hand, the agents in some cases do not exercise any authority whatsoever over rates. In the trade to South and East Africa, for example, the rates are made by the principals of the lines in London and put into effect by the agents in New York. The New York Conference may recommend changes in rates, but these are accepted or rejected by the London conference as they deem desirable.¹⁰⁵ The same is true of the trade between the United States and Brazil. In this case the London Conference, composed of the owners of the line, exercises the rate-making authority, and the New York Conference seems to exist only for the purpose of putting into effect the instructions of the London Conference.¹⁰⁶

In at least one case both principals and agents appear to participate in the fixing of rates. This instance is in the direct trade between New York and India. While freight rates in the outward service are

¹⁰² IV, 82.

¹⁰³ IV, 61 and 65. Cf. also American-Australian trade, II, 1386.

¹⁰⁴ Exhibits I and II, *United States of America v. American-Asiatic Steamship Co.*, Petition, pp. 27, 31-32.

¹⁰⁵ II, 1388; IV, 93, 95-96.

¹⁰⁶ IV, 159-160.

fixed and changed by the agents in New York, in the homeward service they are fixed and altered by the Indian agents in consultation with the London principals.¹⁰⁷ In the N. D. L. V. Westbound Agreement the fixing of rates is done by way of an open agreement.¹⁰⁸

Administrative Organization.—In those freight agreements where any administrative organization at all is described, the secretary is the principal authority, as he is in the case of the passenger agreements. Only in the Mediterranean Freight Traffic Agreement, however, is the work of this official outlined in any detail. Under this agreement there is both a secretary and an assistant-secretary, and their duties may be enumerated as follows:

- (1) To receive the statistical statements and manifests, and to examine them and the accounts, for which purpose they have access to the freight offices of the lines and of the agents, where they may examine books, manifests, correspondence, etc.

- (2) To communicate the statistics and accounts to the lines and act as mediator in general in the transactions between the lines.

- (3) To control the freight rates, commissions, and rebates, and to see that the lines receive regularly and at the same time all necessary statements.

- (4) To collect the payment of penalties and effect compensation accounts.

- (5) To call meetings of the lines and to keep minutes of such meetings.

- (6) To use every exertion to settle difficulties between the lines in an amicable fashion.

The salaries of the secretaries and the expenses for conference, etc., are to be borne equally by the two groups of lines which are parties to the contract.¹⁰⁹

Several of the agreements refer to the secretary, though not outlining his duties more than merely to prescribe that returns shall be made to him by the various lines.¹¹⁰ This is true of the pooling agreement between the United States and the Far East via Suez, the former agreement in the trade between the United States and Brazil and the

¹⁰⁷ IV, 123.

¹⁰⁸ I, 593.

¹⁰⁹ III, 66-67.

¹¹⁰ United States of America v. Prince Line, Petition, p. 27; United States of America v. American-Asiatic Steamship Company, Petition, p. 38; I, 593.

N. D. L. V. Westbound Freight Agreement. Some of the freight agreements, and even those containing pooling arrangements, make no mention of a secretary, much less his duties. In the cases of those agreements to which only two lines are parties it seems likely that this is due to the fact that there is no conference secretary, the business between the two lines being regulated by a mutual agreement.

Besides the secretary and assistant secretary, the execution of the Mediterranean Westbound Freight Agreement is entrusted to the delegates of the lines and the arbitrator. The delegates of the lines to the conference must have full power to make binding arrangements on behalf of their respective companies and to sign for the same.¹¹¹ No line under the Mediterranean Agreement has the right to summon any other line or lines before the judicial courts. In case of differences each line has the right to call for an award of the arbitrators. It is required that this appeal should be addressed to the general secretary by registered letter, and the secretary must communicate it within three days to every line, and ask the disputing parties each to name an arbitrator. The arbitrators thus appointed are required to choose as umpire one of three persons named in the agreement, and if they cannot agree, he is to be chosen by lot. If either party neglects to appoint an arbitrator within fourteen days after notice has been given, the one nominated by the other party has full and complete power to deal with the case. The award must be accompanied by a written argument, stating the ground upon which it is based, and it must also settle the question of the costs of the arbitration. Each party must be given an opportunity to be heard and the arbitrators are not bound by any legal procedure in their methods of taking and ascertaining the facts or in arriving at a decision. The award takes the place of a judgment of a court of law of last resort, and the parties specifically relinquish the right to employ any legal means whatsoever against the decision. The arbitrators, however, have the power to reopen and to reconsider the award if cause be shown within one week, or, if the arbitrators see fit to extend the time, within three weeks.¹¹²

Practically none of the other agreements outlines such complete arrangements for arbitration as those just described. In the Baltic

¹¹¹ III, 67.

¹¹² III, 67-68.

pools disputes are referred to the decision of two arbitrators representing the respective parties to the dispute. These two are empowered to appoint an umpire and the decision of the arbitrators or umpire is final and binding.¹¹³ Arbitration under the pooling agreement in the service between New York and Haiti is referred to three persons residing in New York City, not lawyers, one to be chosen by each of the parties, and the third, who is required to be entirely disinterested, by these two. The decision of these arbitrators is binding upon all parties, provided that it be rendered in writing under their hands and seals within ten days after submission to them of the matter which is in controversy. An interesting provision in this agreement is that all matters in controversy at any one time shall be submitted to such arbitration together.¹¹⁴

In the African West Coast Agreement each party names for arbitration purposes its own commercial representative. If the arbitration is demanded by the English lines, the umpire is named by the Hamburg Chamber of Commerce. If, on the other hand, it is called for by the German lines, the umpire is named by the London Chamber of Commerce. The decision of the majority is binding upon both parties without recourse to the courts of law.¹¹⁵

The recent pooling agreement in the New York-Brazilian trade provided that the umpire should be appointed by two arbitrators in London, one to be named by each party, unless they were unable to agree upon any one, in which case he was to be nominated by the Hanseatic Court of Appeal. If one of the parties failed to nominate an arbitrator within twenty-one days, the arbitrator nominated by the other acted alone. The same arrangements also governed arbitration under the agreements in this trade dividing sailings among the lines¹¹⁶ except that *no* provision was made for failure of the arbitrators to agree upon an umpire.

In case of any dispute arising under the pooling agreements in the trade between the United States and the Far East via Suez, the matter is left to the decision of the signatories, whose voting power is pro rata to their share of the business. If a decision so arrived at is

¹¹³ II, 1376.

¹¹⁴ I, 522.

¹¹⁵ II, 1384.

¹¹⁶ Exhibits I and II, United States of America *v.* Prince Line, Petition, pp. 24, 28.

objected to, the matter is referred to the decision of two arbitrators, who must be commercial men in London, New York, or Hong Kong, whichever place in the opinion of the majority of the signatories is best suited to the purpose. One arbitrator is appointed by each party and these two appoint an umpire, whose decision is final and conclusive. Identically the same arrangement for arbitration exists for the settlement of disputes under the terms of the eastward agreement of this trade dividing sailings.¹¹⁷

Agents' Commissions.—Under the Mediterranean Westbound Agreement it is provided that all rates shall be subject in the option of the lines to their usual general agents' commissions, not exceeding 4 per cent at Genoa and 2 per cent at all other ports. It is also agreed that no line or general agent will pay to agents, etc., any portion of their head office or general agents' commission.¹¹⁸ The agreements in the trade between New York, Jamaica, Colombian ports, and Colon, provide an agent's commission of 5 per cent on freight earned.¹¹⁹

An interesting feature of the recent pooling agreement in the New York-Brazilian trade is an agents' commission pool. A loading commission of 5 per cent on the net freight earned was paid by all the lines to their general agents in New York, to be placed in a pool for division among them in equal proportions.¹²⁰ The pooling rules, both eastward and westward, in the trade to the Far East from the United States via Suez, provide a 5 per cent loading commission.¹²¹

Guaranties and Penalties.—Guaranties and penalties do not seem to be as frequent a feature of freight agreements as they are of passenger agreements. The Mediterranean Westbound Freight Agreement, however, requires each line to deposit with the general secretary a bank guaranty of 50,000 liras, payable only on an order signed by the general secretary and the umpire of the arbitrators who has pronounced the award. Unless claims for this guaranty have been presented to the general secretary, it becomes void at the end of six months after the expiration of the contract. The total sum deposited

¹¹⁷ Exhibits I and II, *United States of America v. American-Asiatic Steamship Co.*, Petition, pp. 29-30, 46.

¹¹⁸ III, 64.

¹¹⁹ I, 527.

¹²⁰ Exhibit II, *United States of America v. Prince Line*, Petition, p. 26.

¹²¹ Exhibit IV, *United States of America v. American-Asiatic Steamship Co.*, Petition, pp. 62-64.

by a line is regarded as the amount of liquidated damages, and so entirely forfeited if a line unduly withdraws from the contract before its expiration or resorts to actions which render its continuance impossible, such as a refusal to pay compensation money, or a failure to replenish the deposits in due course, or directly or indirectly assisting an opposition line.¹²²

In the Calcutta Trans-Pacific Conference, upon the signing of the annual agreement, each party thereto deposits for a period of one year in a recognized European bank in Hong Kong \$50,000 in Hong Kong currency. Such deposit is made out in the name of the Calcutta Trans-Pacific Conference, and upon the signature of six parties thereto the conference may cash or withdraw such deposit. Upon a resolution by a majority of the conference such deposit (together with accrued interest) may be dealt with as the majority may determine, provided such majority decides that any party has violated the conditions of the agreement. All the members of the conference agree to abide by the decision of the majority regarding the forfeiture or application of the deposits, and any decision so rendered is conclusive and binding upon the party concerned.¹²³

Under the Mediterranean Westbound Agreement penalties for violation are fixed by the arbitrators, but are not to exceed the total deposits of the line. Nor may they be less than 5000 liras, except for a delay in making returns to the secretary, in which case a fine of 100 liras is imposed. In case of a willful misstatement of statistics the penalty assessed is required to be not less than 25,000 liras. If the penalty is not paid within eight days after the line concerned has been notified of the award, the deposit will be drawn upon. All deposits must be replenished within fourteen days after the day upon which they have been dealt with.¹²⁴

The Westward Agreement in the trade between the United States and the Far East via Suez (from China, Japan, etc., to Atlantic ports of the United States), provides that any breach of the agreement shall render each offender liable to a penalty of £1000 sterling, or a forfeiture of all profit made by the breach, whichever amounts to the most money, the amount of the penalty to be divided among the other signatories pro rata according to their interest in the annual loadings,

¹²² III, 66.

¹²³ IV, 145.

¹²⁴ III, 65, 66.

Inadvertent breach of the agreement is not penalized by the £1,000 forfeiture, but only the gross profit which is made through such a breach is confiscated.¹²⁵

The former pooling agreement in the trade between the United States and Brazil made similar arrangements to those just described, providing that deliberate breach was to be punished by a fine of from £100 to £5,000. Mistakes and inadvertences were not to be deemed a breach of the agreement. All penalties were divided between the other parties to the agreement in equal proportions.¹²⁶

Admission of New Lines and Alteration of Agreements.—According to the Mediterranean Westbound Agreement, other lines can be admitted to the contract and its terms and conditions can be altered, etc., but only with the unanimous consent of the lines party thereto. Alterations and additions can be binding only when all of the lines have given their written consent.¹²⁷

Meetings of the Lines.—Not many of the agreements provide for regulations regarding conference meetings. The Mediterranean Westbound Freight Agreement, by far the most complete in detail of any of the agreements, outlines a mechanism practically identical with the system of the Mediterranean Steerage Agreement. Meetings of the lines are to be held, if possible, at least once in each six months, at dates and places agreed upon. Special meetings must take place within a period of three, four or five weeks, depending upon the number of lines demanding a meeting. The subjects to be dealt with must be notified to the general secretary, who is required to inform the lines not less than ten days before the meeting. The parties present form a quorum without regard to their number, but only in so far as subjects are concerned which have been duly notified to all the lines by the secretary. Other resolutions are valid only when agreed to by all the lines. Resolutions upon subjects notified to the lines by the secretary are to be taken in writing if no line objects. The delegates of the lines must have full power to make binding arrangements for their company and to sign for the same. Decisions are taken by a four-fifths majority, except where the agree-

¹²⁵ Exhibit II, United States of America *v.* American-Asiatic Steamship Company, Petition, p. 37.

¹²⁶ Exhibit II, United States of America *v.* Prince Line, Petition, p. 29.

¹²⁷ III, 66.

ment provides otherwise, and each line has a vote only upon questions connected with the agreements to which it is a party.¹²⁸

The former pooling agreement in the trade between New York and Brazil provided that a committee was to be formed in New York composed of members of the firms of agents or brokers representing the different lines, which should hold regular meetings at the appointed place. No meeting could be held unless a representative of each line was present. All decisions had to be unanimous except in regard to certain freight matters, and the chair was taken alternately by the agents of each of the parties for such periods as were agreed upon between them.¹²⁹

The only provision in the N. D. L. V. Westbound Agreement in regard to meetings is that as a rule they shall be held every four weeks by the representatives of the freight departments of the combined lines.¹³⁰ Meetings under the agreement in the trade between New York, Jamaica, Colombian ports, and Colon, are held on the fifteenth of each month.¹³¹ In the Calcutta-Pacific Conference any of the parties may summon a meeting of the conference to consider a revision of the scale of rates. Each line is represented by one delegate, and the decisions of the conference must be unanimous.¹³²

Deferred Rebates.—Generally speaking, the deferred rebates which are granted to shippers by the terms of many of the freight agreements are on a percentage basis. Ten per cent is probably the most prevalent rate, though in the New York-River Plate trade, northbound, it is 5 per cent.¹³³ Instead of a percentage arrangement a deferred rebate may be a specific amount per ton of goods shipped. This is the case in the Calcutta-Pacific Conference, which allows a rebate of 75 cents a ton on gunnies and jute from Calcutta to Hong Kong for transshipment to the United States.¹³⁴ Again, the rebate which is given may apply to specific commodities, as in the case just mentioned, or it may be given upon all freight, as it is under the Mediterranean Westbound Agreement.¹³⁵

¹²⁸ III, 67.

¹²⁹ Exhibit II, United States of America v. Prince Line, Petition, p. 27.

¹³⁰ I, 593.

¹³¹ I, 526.

¹³² IV, 143.

¹³³ IV, 174.

¹³⁴ IV, 144.

¹³⁵ III, 65.

The rebate period is commonly six months, though in the Brazilian trade on shipments of coffee to both the United States and Europe the rebates are computed for a period of one year.¹³⁶ Usually, also, the period of deferment is six months. In the trade between the United Kingdom and Puget Sound ports, however, the period of deferment is three months only.¹³⁷ The same is true of shipments of coffee from Brazil to the United States and Europe.¹³⁸

Methods of Meeting Competition.—According to the N. D. L. V. Westbound Freight Agreement, one of the things which the representatives of the lines meet to consider is “measures to be taken to meet competition.” Further, “the fixing of freight rates, even when such go below the fixed minimum freight rates, can be done, viz., for all ports by majority vote, for single ports by consent of all parties.” The agreement also provides that the cancellation of freight rates may take place by majority vote.¹³⁹

In the agreement between the lines in the New York-West Coast of Africa trade is found a clause to the effect that in case of competition the parties shall take joint steps in defense of their interests.¹⁴⁰ Other than these references there is practically nothing in the agreements themselves regarding competition. From the report of Robert P. Skinner, however, we learn of the Syndikats-Rhederei, which is a vessel-owning company with a capital of \$1,428,000. Nominally it is engaged in commercial transportation enterprises, but primarily it is a defensive organization, the capital stock of which is owned by six German companies. Four small and relatively inexpensive ships were purchased. These and such others as may be chartered when necessary are hired out to meet competition and make it unprofitable.¹⁴¹ The report of the Committee on the Merchant Marine and Fisheries in its investigation of shipping combinations abounds with examples of competitive contests which have been carried on by various freight conferences against competitors who have attempted to force their way into the trade.

¹³⁶ I, 16.

¹³⁷ II, 1385.

¹³⁸ I, 15-16.

¹³⁹ I, 593.

¹⁴⁰ II, 1384.

¹⁴¹ III, 53-54.

POOLING AGREEMENTS

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Pooling, as the term is used in the steamship business, is the payment of some part of the freight or passage money into a fund to be subsequently divided in certain agreed proportions among partners. The object of all such arrangements is to regulate competition in the interest of both shipper and shipowner.

Moreover, pooling is an evolution of the shipping business, and the conditions out of which it grew, which were those arising just subsequent to the displacement of sail by steam, can best be expressed by quoting the language of the Royal Commission on Shipping Rings, an English body appointed in 1907 to make a report on the so-called shipping rings as they existed in England. This commission reported:

In early sailing-ship days there was little variety in the methods by which goods were shipped overseas. A ship, whether it was chartered to carry cargo in bulk or to take general merchandise for a large number of shippers, would usually receive its cargo at one port and would not sail until its cargo spaces were more or less full. The date of sailing was therefore a matter of uncertainty. The date on which the vessel would arrive was even more uncertain. In the case of a vessel bound, say, to the Far East, it was impossible to predict with any degree of certainty when the cargo would be delivered. The merchant had to ship his goods in speculative anticipation of the requirements of his market, and, as the number of shipping opportunities was limited, he was in the habit of shipping large quantities at a time.

All this was changed by the substitution of steam for sail, more especially after the introduction of the compound engine. As the length of time which a steamer would take between two points could be estimated with precision, the merchant who knew that there would be a favorable market for his goods at a particular season of the year could so arrange his shipments that they would arrive at the right time. Moreover the increase of postal facilities and the laying of cables enabled him to obtain from his agents abroad the latest intelligence as to the markets in foreign countries. Or, if he was an agent acting for merchants abroad, he could receive from them and execute definite orders. One effect then of the replacement of sail by steam was the gradual elimination of one of the speculative elements in a merchant's busi-

ness, and the substitution of a system under which goods were despatched overseas in almost exact correspondence with the requirements of the market abroad.

Another effect of the substitution of steam may be noticed. The steamship lends itself to greater variation than the sailing ship. It can be more nearly adapted to the requirements of particular trades and particular commodities. And, as steamships vary in their class and speed, so also commodities vary in the methods of transportation which are suitable to them. For many cargoes, more especially those shipped in bulk, which do not require rapid transportation or a regular service, and those for which the demand is constant all the year round, the methods of sailing-ship days, reinforced by the speed of the steamer, sufficed. In this way was developed the tramp steamer, which, like the sailing ship, need not sail until its holds are full, and usually receives the whole of its cargo at one port for discharge at one port.

For another class of cargo, viz., general merchandise, the introduction of the steamship opened up greater possibilities. The variety of these goods is great, the orders for them are small and fluctuating, and they are shipped not to one consignee but to many. They are in many cases goods of high value on which the loss of interest over a long voyage is considerable. For commodities of this character the advantages of a regular service of high class steamers became so great that it was regarded by the majority of merchants as practically essential and in response as it were to the requirements of trade, shipping companies began to despatch steamers at advertised dates, whether full or not. They also built steamers of increasingly higher speed and class, and as trade developed they began to build steamers especially adapted for particular trades.

In the years immediately prior to and succeeding the opening of the Suez Canal in 1869, the output of steam tonnage was very great. The steam tonnage of the United Kingdom alone rose from 454,327 in 1860 to 1,112,934 in 1870, and 2,723,468 in 1880. The requirements of trade were outstripped and a period of severe competition among shipowners ensued, with the result that rates fell heavily. In the Eastern trade, Sir T. Sutherland informed us, the struggle was so keen that several of the Lines had to withdraw, and the remainder with a view to self-preservation "began to draw together so as to stave off disaster by coming to arrangements between themselves and with their customers." The problem which the Shipping Companies had before them was twofold: On the one hand they had to place themselves in a position to obtain rates which would be remunerative; on the other hand they had to conform to the new requirements of trade by giving regular sailings of high class vessels despatched at dates advertised beforehand, whether full or not full. At the same time the general increase in the cargo space of vessels enhanced the risk entailed in conforming to these requirements.

This "drawing together" of the lines resulted in the formation of the so-called "shipping conferences," and as one of the collaterals to them arose the pools. It is claimed by the shipowners and,

indeed, generally admitted that the provision of a regular service of steamships is of much importance to a merchant. His opportunities of shipping are increased and their occurrence at regular intervals and on fixed dates removes the necessity of storing his goods. Sir James Mackay of the British India Steamship Navigation Company correctly stated the situation in the following words when giving his testimony before the Royal Commission on Shipping Rings:

If you keep on supplying goods to a country or to your customers with regularity, you increase the consumption. If you supply these goods fitfully and you do not supply the demand when the vacuum is there, then you never get it again in the same degree, whereas if you have a regular service of ships going out and constantly taking out full cargoes, in my opinion, you are increasing the demand in India and increasing the consumption in the country.

It can hardly be disputed that coöperation among lines, in that it gives regularity and frequency of sailings, stability of rates, and a more economic distribution of cost of service, is not only a desirable but an essential requirement in the trade. But the natural interrogation is, are these highly desirable essentials obtained only through pooling?

As many successful trades are conducted by the lines without the medium of a pool among those serving that particular trade, it is evident that the question cannot be answered by a simple yes or no. In an old established trade where the volume of business is large, the flow of traffic fairly stable, and the steamers of about the same size, type and frequency of service, it is possible for shipping companies to be conducted with justice to each other and to the shipping and traveling public without the medium of pools, provided they are bound by conference agreements. But exceptions must even be made to this rule as in the case of the north Atlantic passenger lines. The source of the flow of steerage traffic changes. In some years the movement may be from a district not contiguous to the terminal of a certain line, and, if the change should starve this line, the value of the pool comes into play in that it can be made to force to such disabled line its fair share of the traffic; otherwise a starved line will obtain its share by concessions, which are likely to result in a rate war, the logical conclusion of which is the elimination of the weak and a monopoly by the strong. One of the advantages accruing to the shipping and traveling public in the con-

siderations that bind several lines in one trade is the element of "live and let live;" the smaller lines are enabled to exist against the larger, thus giving added facilities to the public.

The advantages of pooling to shipowner, shipper and traveler in trades that are new or are in the course of upbuilding, or in trades that are already established but are served by steamers of varied type, speed and equipment, can be easily justified. Unless the steamers of all lines serving a particular trade are of the same character staple rates cannot be maintained, as shippers will not give their high-class merchandise to the inferior steamer, nor will the traveling public patronize the inferior steamer unless there is a concession. The less desirable steamers could obtain only the less desirable and less remunerative cargo. By means of pooling, the weak line is compensated for its failure to obtain a fair share of the more remunerative goods and by living alongside the strong line adds to the total of the shipping facilities. With the knowledge that each shares in the earnings of the other, the line which has the cargo least desirable to the needs of its type of ship will transfer part of such cargo to the line that can handle that character of cargo to advantage. The desideratum of a steamship manager is to send his ships to sea with a combination of cargo that exactly fills her when she is down to her plimsol marks. This ideal when achieved enables more economic operation, which should and generally does reflect itself in reasonable rates and added facilities to shippers.

While a conference can exist without a pool, a pool cannot exist without a conference. Sailings on certain days of the week or month are sometimes more desirable than other days of the week or month. In a conference without a pool all lines would endeavor to seek the most desirable days, causing a congestion of steamers at one period and a dearth at another to the disadvantage of the shipping and traveling public. A pool, however, offsets this scramble for position because the manager of the line with the disadvantageous sailing is complacent in his knowledge that he has an interest in the operations of his more fortunate brother. On some routes, there are often many ports which can be served en route. An owner attempting to serve them all would not only enormously increase his expenses but would also cause dissatisfaction to the receivers at the later ports of discharge because of the undue length of the voyage. The traffic must be handled not only in the most economi-

cal but also in the quickest manner possible. Therefore, the tendency would be for an individual line to avoid calling at the less important ports in order to obviate loss of time, extra steam and additional port charges. If, however, a line knows it will be compensated by its associate lines, it will serve the undesirable ports of call as frequently as the trade may reasonably require. Unless the different owners are permitted to equalize the results of these various voyages, each would have to resort to the system of visiting all ports or but a few ports. In either event, dissatisfaction would result in the one case from enhanced freight rates, which would be necessary in order to enable the owner to pay the expenses of a large number of ports or from failure to serve many of the ports at all. Furthermore, shippers are often obliged at stated intervals to make large shipments of a kind of material which would be quite unsuitable for a steamer, such as rails, on which the earnings would be much below those of succeeding steamers which would carry other portions of construction material covered by the same contract, the rates for which would be far more remunerative. Only a joint service, which could equalize the earnings under the whole contract, would carry the materials covered by these large contracts without charging freight rates so prohibitive as to deprive American manufacturers of the opportunity of securing the contracts in competition with foreign manufacturers.

Without coöperation in the form of pools, few steamship owners would dare take the risk of developing an entirely new trade single-handed. As a case in point—a few years ago there was no regular line of steamers operating between the west coast of Africa and the United States, although both England and Germany maintained frequent, regular and efficient services from their respective countries to that part of the world. What little business had been shipped between the United States and the west coast of Africa up to a few years ago was done by tramp ships or sailing vessels, with no fixed freight rates or sailing dates; certainly not the kind of service necessary to the development of a new trade. One of the prominent steamship lines in Germany determined to run a steamer regularly from New York touching at the principal ports on the west coast of Africa. A steamer making a voyage only once in four months would not be a service of sufficient frequency to build up the trade, yet the line in question did not feel justified in assuming more risk,

so it invited an English associate to join in the venture with another steamer, thus insuring a regular sailing every alternate month. As the ebb and flow of the traffic was uncertain and as chance might bring the one greater losses than the other (the word "loss" being used advisedly because in the initial stage only loss could be expected) the natural conclusion was a pool (partnership). Neither interest could well afford the risk of going alone and one alone could not give the exporters and importers of the United States the facilities for developing a new trade. The venture sufficiently stimulated the business ultimately to justify a joint service of a steamer each month instead of alternate months as originally inaugurated. Without coöperation and without that coöperation being bound by a pool, in order that neither line would be at a disadvantage, a trade between the United States and the west coast of Africa would have remained undeveloped.

The form and administration of pools differ according to trade requirements; in fact, the author of this article is familiar with the details of more pools than he has years in his life and yet no two can be recalled that were exactly alike, although some bore resemblance to each other. What is probably the simplest form is where a single article or a classification of articles is pooled without regard to the carryings of other cargo aboard the ship. Such form of pool carries with it an allowance for actual stevedoring and sometimes other expenses that are the same with each line, and this is known as the carrying charge. All monies received over and above the carrying charge are pooled and at stated subsequent periods divided in accord with the agreed percentages. An elaboration of this same simple pool is that the lines aim to divide both the volume of freight and the freight money in the same percentage for both. This generally is a fairer form because, if one line is behind in its share of the traffic, it does not hesitate to go into the market and secure its apportionment, even at times when rates are low, because the money above the carrying charge will ultimately be divided in the agreed percentages; therefore, the line temporarily behind in carryings has its interest in the high as well as the low freight.

The forms just mentioned are generally confined to the old established trades. In the long-voyage services it is more customary to pool the entire cargo, with the usual allowance for the carrying charge. This equalization of earnings is often extended to a form

that takes into consideration the cost of operating the steamer and these varying costs are brought to a common level, which is debited against the total earnings and the net profits are then apportioned in the agreed percentages among the lines party to the agreement.

This form of pool is very necessary in trades where there are several ports of call, part of which are served by one member of the conference and other ports by other members. The primary thought in this form of settlement is that some one line may at times be compelled to send its vessels to some small out-of-the-way port that has expensive port charges and where the cargo is worked slowly, thereby causing additional loss of time. Therefore, the steamers' extra costs and small earnings as regards such port must be compensated for; hence the necessity for a recognition of the steamers' loss of time, value and increased expenses in the final settlement.

Nearly all shipping conferences conduct their business through a central office, to the up-keep of which each member contributes, although in some cases where the details of the settlement are not voluminous, employes of the lines interested will act in turn as secretary and attend to the settlement of accounts. The settlement of a pool is generally in annual periods and nearly all of them run from year to year, with cancellation privileges that can be made effective on giving three or six months' advance notice. While a line can be and often is a member in pools in widely separated trades, yet rarely are any of these pools interrelated, and it is seldom if ever found that the membership of one pool is identical with the membership of another. The fact that a certain large line is a component part of a pool in one trade does not necessarily mean that its relations with its associate are on the same friendly footing in some other trade. In fact, cases could be cited where two members in a friendly group in one trade are actually at warfare with each other in some other trade. The appearance of the name of one large line in several groups and the name of another large line in some of the same groups would on its face indicate a connecting link that binds all regular lines in most of the trades in the world, although there is no basis of fact for this assumption, because there is rarely if ever any case where the groups themselves are in relation.

The economic necessity of pooling in the steamship business, as against the necessity for doing the same thing by the railways, which has been held in their case to be against public policy and in

some branches of it even made unlawful, can be best described by quoting from the testimony given by the author of this article before the Committee on the Merchant Marine and Fisheries in the investigation of shipping combinations under house resolution 587, held in Washington in the winter of 1913:

The interstate commerce law prohibits the pooling of railway freight, and yet the railways of this country, weak and strong alike, maintain the same tariffs and are able to exist side by side with each other, and your natural question will be, if this is possible with the railways, why is pooling necessary with the steamship lines? The Pennsylvania and the New York Central Railroads are the strong lines operating between Chicago and New York. The Erie Railroad is always thought of as one of the weaker roads, but the weaker road can live alongside of the strong road for the reason that on the line of all these roads between Chicago and New York are many prosperous towns which must ship their freight by the road on which it is located. So, after all, there is an enormous proportion of business of all of our railways that is non-competitive. I do not know whether it is true now or not, but some years ago the statement was made to me that in the neighborhood of 90 per cent of the traffic of the Pennsylvania Railroad originated on or was shipped to local noncompetitive stations on their line. The route between New York and Brazil or New York and the Caribbean district is not dotted with prosperous towns that originate business that is noncompetitive with the route of your competitor who is serving the same foreign countries, so, after all, all of the business is through business, and no shipper is going to patronize the weak line when he can throw his traffic to the strong line that will serve him more efficiently.

Arrangements that prevent discrimination and maintain the stability of rates is what shippers seek. It is difficult to maintain them unless some provision is made in order to take care of the disabilities of the weaker line. It does not necessarily require to be done by pools; it is not infrequently done by allowing the weaker line some differential rate, but the pool is the more effective instrument in overcoming the weaker line's disabilities and maintaining the desired stability in rates.

The benefits accruing to shipowners in a group of lines in conference bound by a pool can hardly be denied, but the critic will question the advantages that the public secures, as he will state that the bond between the lines tends towards monopoly, which means exorbitant rates and burdensome conditions. The United States Supreme Court decision in the Northern Securities case is often cited as a precedent as to the invalidity of the right of steamship companies to combine. The Supreme Court held the Northern Securities Company, a holding company formed to amalgamate two

of the large American transcontinental railways, invalid on the ground that, even though no evidence was shown that the amalgamation had caused the shipping and traveling public any disadvantages, but that on the contrary actual reductions had been made in freight rates and passenger fares, it had the power to monopolize and, therefore, should be dissolved. The decision, however, bears no parallel to overseas transportation, because combinations of carriers by sea are vulnerable and easily broken into without any extraordinary amount of capital invested. Steamship lines have not the power on which the Supreme Court ruled adversely in the case of the railways. A transcontinental railway costs hundreds of millions of dollars and years of labor to build, but the sea is an open field for every one and an effective competition can be built up in almost any trade with a capital far less than a hundredth part of the cost of construction of a transcontinental railway. If the critic's question still continues as to what is to prevent rates being put to exorbitant figures through the alleged power of these shipping agreements and pools, the answer is that there is nothing to prevent it except, if it were done, the partners in the trade would immediately subject themselves to competition from outsiders. The extent of possible competition can be made clear by quoting from the report submitted to the Committee on the Merchant Marine and Fisheries by the committee appointed by the representatives of steamship lines maintaining established services from New York to foreign countries during the hearings held by the committee in Washington in the winter of 1913. This report stated:

The ocean trade, except for restricted coastwise trade in some countries, is free to all comers. According to the most recent reports of *Lloyd's Register of Shipping*, the oversea commerce of the world is conducted by over 25,000 steamers, having a gross tonnage of 43,954,000 tons, which are owned by approximately 4,200 different firms and companies. Of this great body of tonnage only about 1,555 steamers, owned by approximately 108 different companies, are engaged in regular line service in the oversea trades. The remainder constitutes the great mass of free tramp tonnage, operating entirely under the law of supply and demand, and regulating the ocean freight rates for everybody by the charges which they fix for the transportation of the great mass of the world's staple products. It is manifest that the relatively few regular lines, owning but a small proportion of the world's tonnage, could not, if they would, control the operations of the great number of tramp ship-owners and the vast body of the tramp tonnage, or that any method of combination could be devised by which such owners of different nationalities, situated all over the world, could be brought into effective combination.

Any competent steamship man, given sufficient money to build a few steamers, which require only a small amount of money in comparison with the cost of building a transcontinental railway, can force down the rates of an extortionate group of shipowners, or an outside shipowner with ships already built can do the same if the field is made attractive by high rates. Everything on the sea is typical of the ocean itself; it seeks a common level. When one overseas trade is good, others are with rare exceptions just as good, and similarly when one is bad all are apt to be bad. That a particular trade is not attacked by outsiders is evidence sufficient that the steamship lines operating in that trade are conducting their operations in a fair and equitable manner. The only reason that some lines are in one trade and others in another is because the world is a large place and the steamship lines do not attempt to go into trades indiscriminately, when possibly their own on which they have worked for years offers just as good a field for development. Ships are not fixtures in any trade and are not constrained by any fixed line or route. They have no public aid, no franchises and, for the most part, no advantages of local trade between the termini of their voyages; they owe no duty to the state to maintain a service or to serve the public; their enterprises are of a private nature; they may come and go by whatever route or in whatever direction they please; their only incentive to engage in any particular trade is to develop the trade to such a point that it will yield a profit which will justify a regular and continuous service. It is conceded that the large shipper or a combination of large shippers always has the ability to break any combination of steamship lines by chartering tramp steamers, which can be done with the investment of a ridiculously small capital. The smaller shipper has, to a large extent, the same protection, in that there exists in the trade what are known as line or ship brokers who will, on their own account, charter steamers taking cargo from shippers, large and small, in competition with the regular lines, so that, through the large shipper's ability to charter steamers on his own account and the small shipper's ability to use the medium of the line broker, every shipper can rest his mind in peace in the knowledge that no combination of steamship lines can force him to pay extortionate rates. The tramp is such a factor in the business that the regular line rates rise and fall to a large extent on the tramp tonnage rates.

Some pools are so formed that they do not by any means eliminate competition, being constructed on the basis that unless a line carries its percentage it is penalized in a reduced percentage, which causes each line party thereto to improve its facilities and service so as to cater better to the whims and demands of the shipping and traveling public. Not infrequently, as in the case of the north Atlantic steerage traffic, the arrangement is based on a minimum rate, the income from which is pooled, and any increase that any line obtains over the minimum is for the account of that line solely. No line can obtain a premium without offering improved facilities, and it has been competition not monopoly that has resulted in the fast and palatial type of steamer now operated between the United States and Europe. Pools, therefore, do not necessarily prohibit competition, either internally or externally. Any conference lines which gain power by their coöperation and abuse that power can easily be and are soon disciplined; not by the courts of law, for that is unnecessary, but by actual competition of others in the business who are quick to see and avail themselves of an opportunity. Ships' ability to move from one trade to another, and the freedom of action and movement by steamers on the high seas are the shipping and traveling public's insurance against unfair treatment.

RATE AGREEMENTS BETWEEN CARRIERS IN THE FOREIGN TRADE

BY P. A. S. FRANKLIN,

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The marvelous development in shipping, coupled with the immense increase in the number and size of steamers engaged in the carrying trade of the world, resulted in many cases during comparatively recent years in either very unsatisfactory returns upon the investment or heavy financial losses. This condition of affairs forced the steamship owners almost the whole world over to endeavor to form agreements or understandings in their particular trades. These agreements have for their purpose the regulation of the general conduct of the business and deal with sailings, bills of lading, ports of call, and freight rates. They are the result of an evolution based on long experience gained in the practical operation of vessels of each particular trade, and represent the best-known method of conducting the business. Experience has demonstrated them to represent the most useful and practical method for the economical operation of the trades in the best interests of shippers and ship-owners alike.

The efforts to maintain even the rudimentary agreements of 30 years ago have been persistent. The forms employed and the results attained have been without exception a response to economic conditions and necessities rather than the result of studied effort by any interest or combination of interests to control a specific trade or trades. If these sundry agreements had not during recent years been fairly well maintained, rate wars would have forced the weaker lines to the wall, leaving the trade concerned entirely to the strongest, and to a virtual monopoly of its liner service. Under these agreements everything possible is done by the lines in each trade to encourage traffic. It is in their own interest to do so. A liner must serve the trade in which in good times and in bad it is engaged and for which it was specially built, as the ever alert "tramp" steamer owner is always ready to seize the opportunity of any remunerative employment for his steamer.

Shippers and receivers of freight desire many things from steamship lines, including equality of rates on the higher class commodities, and also proper variations in rates on grain, cotton and other exports and imports, where the commodity prices are subject to frequent and at times severe changes and are in competition with other countries. Regularity and frequency of sailings are also important. Shippers desire and obtain protection in ocean rates to or from a common foreign market against the ocean rates available to their competitors located in any other country.

Rate agreements and conferences were conceived in order to allow the steamship companies interested in the various trades to live and let live and to furnish to the shippers and the traveling public equal facilities to all on the same basis under similar circumstances and conditions. Among the many kinds of rate agreements between carriers in the foreign trade those more frequently used may be described as follows:

Passenger Minimum First- and Second-Class Rate Agreements.—The great majority of the steamers carrying first- and second-class trans-Atlantic passengers are operating under minimum rate agreements, the fastest and latest steamer taking the highest rate, the others being scaled down from that rate as a standard. Upon these minimum rates, so fixed, as much can be added for superior accommodations, including rooms with baths, and suites, as the steamship companies individually feel their space is worth. By this method differentials are established between the steamers based upon their attractiveness to the public, similar to that which prevails among the railroads operating between New York and Chicago, as by one route the ticket can be purchased cheaper than by another.

Third-Class Passenger Agreements.—Business is here dealt with under agreements which are to the effect that the parties thereto shall not carry more than their agreed fair percentage of the traffic, and when this is exceeded they automatically advance their rates so that the business will be equitably divided among the carriers interested. Without such agreements the steamship line that could afford to construct the larger and finer steamers would rapidly absorb the business of all those who were less fortunate in their capitalization and earnings, with the ultimate result that the business would largely drift into the hands of the wealthiest corporation which would then be in a position to demand unreasonably high rates.

Minimum Freight Rate Agreements.—Parties to these agreements simply undertake not to accept a certain defined class of commodities at less than certain agreed minimum rates, which commodities are generally confined to very bulky classes of traffic and upon which rates fluctuate in accordance with the supply and demand.

Fixed Freight Rate Agreements.—These are extensive agreements covering many classified articles with a fixed rate attached to each class or article. These rates are freely quoted to shippers, large or small, and are not frequently changed as they generally cover articles that move steadily but in small quantities.

Differential Freight Rate Agreements.—These agreements are built up from the above agreements but are used in a trade in which differentials are given on account of disabilities or advantages of certain ports or services as compared with other ports or services, and are intended to put the various parties on an equitable and fair competitive basis with each other so that all will have an equal chance of securing the traffic moving.

Freight agreements aim to distribute the traffic or the results of carrying the same among the respective carriers. In some trades it is necessary, in order to separate the sailings, to make them more regular and thereby give a dependable service to the patrons, and to have various small ports covered by regular departures, to make joint contracts so that the traffic can be properly divided among the respective carriers. In some instances, also, the results of carrying the traffic will be divided between the steamship companies interested in order to accomplish the above objects. This last method is commonly known as “pooling” but might more properly be called equalization of earnings. Its object is not in any way to restrict the movement of the traffic but to distribute it among the carriers interested in such a manner that regular services can not only be maintained at proper intervals of sailing, but also to enable carriers to secure sufficiently remunerative rates to maintain these regular sailings and to serve the smaller ports, all of which factors are greatly to the advantage of the merchant.

These agreements are advantageous to shippers, carriers and consignees as they establish stable and uniform rates to all shippers and consignees large or small. Shippers and merchants desiring to do business with foreign countries cannot conduct their trade successfully in such markets unless they have stable rates on which they

can depend and which enables them to contract ahead, as well as assurance that their competitors cannot obtain any lower rates. This situation can be brought about only by coöperation between the steamship lines on practically the same basis as exists among the railroads, thus maintaining and assuring equal and reasonable rates to all merchants and shippers.

Uniform rates protect the small against the large shipper and relieve all shippers from the effects of underhanded discrimination. To accomplish this most desirable end agreements and conferences are absolutely necessary, since unrestricted competition based on the survival of the fittest tends to restrict the development of the lines and in the end results in monopoly. Furthermore, competition for any class of traffic when the question of rates is eliminated, as is the case when the rates are uniform, spurs the various lines on to give more and better facilities to passengers and freight, with the result that the passenger as time goes on travels with an increasing degree of comfort and freight is offered a much more regular service.

In considering the necessity for agreements in conjunction with the operations of steamship lines, the striking differences between the conditions incident to the operation of those trades and the business of railroads must be kept clearly in mind. Railroads obtain their franchises from the state, which permits them to lay their tracks along the lines of existing or potential trade centers, and to acquire rights of way by the exercise of eminent domain. Without these special privileges a railroad could not be built. A road which has been built in the exercise of such franchises becomes in duty bound to maintain a regular and continuous service, as efficient as the needs of the trade along the line require and the rewards of the business will permit, and do not have the risk of competition from tramp steamers. The conditions under which transportation by sea is conducted are totally different. The ocean is free to all and ships are not fixtures in any trade, and are not constrained by any fixed line or route. They have received no public aid or franchises, and may come and go by whatever route or in whatever direction they please. Their only incentive to engage in any particular trade is to develop that trade to such a point that it will yield a profit which will justify a regular and continuous service.

The great bulk of the foreign trade of the United States is today carried by regular lines working under agreements of various kinds

covering their particular trades. These agreements or understandings have been without exception the natural outgrowth of intolerable competitive conditions rather than the result of studied effort on the part of any interest or combination of interests to control particular branches of trade. If such agreements had not been reached, the coöperation of a number of lines for the development and handling of the trade would have been displaced eventually by an absolute monopoly, resulting in the weaker line being forced to the wall and leaving the field entirely to the strongest.

Few of the steamship lines operating from this country, except those engaged in the trans-Atlantic trade, have as yet reached an advanced state of development, with vessels of a high class carrying both freight and passengers, with fixed and regular sailings, and with a convenient and complete system of terminal facilities. The services are operated for the most part with an efficient type of cargo vessel of fair speed and large carrying capacity, but yet of moderate size and cost as compared with the highly developed vessels employed in the trans-Atlantic services. The services in the long-voyage trades are still undeveloped in comparison with the lines serving the same territory from Europe, in which traffic larger, faster, and better types of steamers are used, on account of the large passenger traffic from Europe. Although the services from this country have been sufficient for the demand up to the present time, they must be improved in the future both in the speed and regularity of sailings. This will be possible only if the shipowner be allowed to earn enough to pay for improvements, and this can be accomplished only by the steamship lines operating under intelligent and reasonable working agreements.

In the now thoroughly established trans-Atlantic trade, it is not necessary for the lines acting in coöperation to determine or limit sailings in this way. But in new and undeveloped services it is necessary to agree on sailing dates and ports of discharge, for without regularity and frequency of service, American merchants, manufacturers and shippers would be at a decided disadvantage in competition with European merchants, who enjoy a more frequent and better developed service from European ports to ports overseas. Shippers must be able to know with some degree of certainty when their shipments may be made and when they can expect them to be delivered to purchasers in distant countries. Under unrestricted

competition, several ships may sail the same day or the same week for the same port or ports, and, consequently, there may be no other sailing for a considerable period. When lines are working in coöperation they agree not only as to the dates of sailing but also as to the ports, thus avoiding the waste involved in several ships calling at ports which require only one ship and giving an excessive tonnage on one date and a corresponding lack of tonnage at other times.

It should be remembered that a large proportion of the shipments from the United States to foreign countries come from the interior. With regular sailing dates goods arriving late and missing one steamer will be delayed only a short time since they can go forward on the next boat. The loading and delivery of cargoes are also greatly facilitated by coöperation, since in this way accumulation of goods, unnecessary port charges and loss of time are avoided. In a word, the result of an agreement as to sailings is to enable shippers to fill their contracts promptly, to build up new business, and to compete successfully with merchants in Europe.

The general opinion of merchants, steamship owners, and agents seems to be that agreements as to rates are desirable and of advantage to both shipowners and shippers, provided the rates are reasonable and available to all shippers under similar conditions and circumstances. Shipowners operating regular services are entirely dependent on the business of shippers, and it is therefore their aim to establish only reasonable rates, based on the condition of the general world's freight markets and the value of tonnage. Their desire is to maintain rates on a remunerative basis and yet permit their shippers to compete successfully with shippers of similar commodities in other countries.

The fundamental principle of shipping is "supply and demand," and owners appreciate the fact that the ocean freight rate is frequently an important factor in the transaction, and therefore endeavor to keep rates on a basis to encourage trade. Generally speaking, rates, particularly in the long-voyage trades, are fixed in competition with the rates of lines trading to the same points from foreign countries and are on a parity with those rates as nearly as conditions will permit. Nearly all the important foreign trades in which the merchants of the United States are interested are subject to competition by other regular lines and tramp vessels. The fear of such opposition and the certainty that exaggerated rates would

lead to further competition tends to keep the rates of the lines on a reasonable basis. No steamship line is ever immune from attack, and the history of every coöperative service is that it has grown from a single line or from a small number of lines to its present size and position by the constant aggression and admission of other competing services. Ocean freight rates on merchandise to or from the United States, whether in conference trades or not, are dependent upon the service required and generally rise or fall with the rates to and from other countries. The trade and shipping conditions of the whole world govern ocean rates to and from the United States as well as to and from other countries.

Neither the large nor the small shipper is ever at the mercy of the steamship lines if rates advance to a point which may be thought to be unreasonable. If the rates exceed or even approximate the rates at which tramp steamers can be chartered, large shippers of special commodities immediately protect themselves by the employment of tramps for the transportation of their shipments; and small individual shippers, who cannot accumulate merchandise in quantities sufficient to justify the chartering of tramp steamers, are at such times served by chartering brokers, who are always ready, when rates by the regular lines advance to such a point that a profit can be made by chartering, to lay chartered steamers on the berth, themselves accumulating the shipments of numbers of small merchants, who by this means can always protect themselves against oppression. The protection of the small shipper lies in the liner's dependence upon him, just as the liner's protection is the recognition by the small shipper of his dependence upon the liner. The present large shippers and importers were formerly men of small operations. It is the constant experience of liners that the small shipper of today becomes the large and powerful shipper of tomorrow; and the line which would neglect or oppress him when weak can hardly expect his support when he becomes strong.

Looking at the case of the small exporter we also find a natural condition of trade operating to keep rates reasonable. With exports as with imports, the consumer pays the freight. This freight cannot be more than the consumer is willing to pay. The steamer's freight rate must, therefore, be such as will enable the American exporter to sell his products in competition with the products of other countries. The liner, depending largely on the higher class

freight for its profits and being regulated as to bulk cargo by the rate for tramp tonnage, would find it destructive of its interests to restrict or ruin the trade in those commodities upon which its greatest profit depends.

It is not to the advantage of the steamship owner to make the large shipper still larger, as the more shippers the better. The larger shipper of a single commodity is frequently in a position to charter steamers, in which case the liner would lose some business which might be essential to the maintenance of the regular service. Therefore, the liner must make a rate necessary to secure the traffic, and would then give the same rate to a smaller shipper of the same commodity under similar conditions. The class of merchandise of these large shippers is not, however, commonly handled by the small exporter. The large shippers ship their own product, and, being in entire control of it, they often decline to sell their product to small exporters who might desire to trade in it abroad.

The class of merchandise shipped by the small exporters is ordinarily of an entirely different nature. It consists of articles of greater value, which can readily pay an increased rate of freight for a regular service. In asking a higher rate for such products, the attitude of the steamship lines is similar to that of railroads, which are permitted to charge a higher rate for less than carload lots than they do for full carload shipments, and to have classifications based upon the nature and value of the goods shipped under which they charge higher rates on goods of higher value. If the large shipments referred to should not be secured, the smaller shippers would have to pay an enhanced rate of freight and would also suffer inconvenience from the necessary curtailment of sailings which would result from decreased shipments.

If rates should be unduly advanced, the foreign buyer, who pays the freight, would decline to purchase our products. The safety valve against the charging of exorbitant freight rates is in reality the lines' own interest to do everything in their power to foster trade, and to do nothing which would have a tendency to restrain it. The fear of any general or large combination is without foundation as there are about 23,500 free tramp steamers operating entirely under the law of supply and demand. If freights from any country should at any time be upon an unreasonably high basis, tramp tonnage would at once be diverted to that trade as tramp steamers are

the great regulators and governors of ocean freight rates, and their existence makes it impossible to maintain unreasonably high rates in any trade for any length of time.

The nature of the steamship business is so different from that of railways that it would be injurious, not only to shipowners but to shippers and consignees, to place any limitation upon the absolute freedom of carriers to change their freight rates as the conditions of the freight market reasonably required. Ocean freight rates vary not merely from month to month, but from day to day and from hour to hour, especially with reference to the great staples which are traded in on the exchanges. The difference of a fraction of a cent in the freight rate may mean the loss of a contract to a merchant or manufacturer at an interior point of the United States who is competing with manufacturers and merchants in other countries. Should the lawmakers of the United States decide that ocean transportation must come under the jurisdiction of some authority, or authorities, in Washington, I most strongly urge that this important question should be considered very carefully before any laws are passed, because, barring a certain amount of supervision and possible publicity to assure reasonableness, I am confident that any regulation on the part of the Government which would make the immediate alteration of rates impossible in a situation where we are competing with the world's markets would result in a loss of trade and commerce that would be more harmful to the merchants than to the steamship owners who can always send their steamers into other trades.

After many years of experience in the trans-oceanic freight and passenger trades, with and without agreements, I am convinced that reasonable and proper steamship agreements are advantageous to shippers and consignees alike. If we are to maintain our commanding position as an export country, and to develop our trade still further in new and distant countries, methods substantially similar to those now in existence are essential.

DEFERRED REBATE SYSTEMS

BY HERBERT BARBER,

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The term "rebate," as generally understood in the United States, refers to a more or less secret and underhand allowance granted by a transportation company to secure traffic. In that sense the term "rebate" as applied to the steamship business is a misnomer.

Rebates as now applied to the steamship business originated in Europe and were used there fully twenty years before their introduction into the United States. According to the present-day plan two or more steamship companies unite to furnish a service at stated intervals, and, to secure sufficient traffic to warrant the venture, issue a circular publicly to all the shippers—offering to allow them a return or commission or discount on the amount of freight they furnish, provided they (the shippers) will confine their shipments during a stated period to the steamers of the signatory lines. The promised return is payable at the end of the period, or at a certain interval after the expiration of the period, provided that during the whole of that time the shippers have found it to their advantage to ship their freight over the stated route by the signatory line or lines of steamers.

When first introduced the allowance was paid at the end of a short interval, just sufficient to enable accounts to be checked up after the expiration of the term. But as time went on and shippers made no complaint steamship owners extended the period when payment of the return became due, so that some rebate circulars called for twelve months continued shipments and made the returns payable six months, thereafter, i.e., the shipper had to continue his shipments for eighteen months before any rebate was collectible. Such a rebate is characterized as a "deferred rebate" to differentiate it from the rebate payable at the end of the "loyalty period."

In the export trade from the United States rebates were first introduced as a system into the steamship business by the lines running between New York and Brazil and New York and the

River Plate. The South African lines adopted a rebate system in 1897, and the Far East (China-Japan) lines followed in 1899. Rebates were also adopted in the West Indies trades and still continue, but in all the other above mentioned trades outward from New York rebates have been discontinued, and it is very doubtful whether they will ever be renewed.

Theoretically the rebate system protected the regular line steamers from outside competition, but in actual service no rebate system has ever prevented any strong line from breaking into and obtaining a foothold in any trade of which it desired to secure a share. The only protection a rebate system gives the regular lines is from the competition of the casual tramp steamer, which would often be only too willing to run a casual voyage at a cut rate of freight and thus unsettle rates for the liners for months to come. A rebate system effectively prevents any such competition, since large shippers invariably have sufficient rebates due them at the end of the term to make any gain that would arise through shipping by the casual tramp steamer of no use to them.

The abolition of rebates in the outward business from New York to South America, South Africa and the Far East has had little or no effect upon the various services affected thereby. Steamship owners have saved the rebates they would otherwise have paid, but on the other hand they have doubtless been more willing to meet the wishes of shippers, and a better feeling prevails between shippers and steamship interests than obtained when the shipper felt himself bound to continue his shipments by the lines or forfeit a large sum of accumulated rebates.

Rebate systems are in full force in most of the long-voyage trades from European ports to countries other than the United States, and also on the return business from those foreign countries to Europe. Such systems are also in force on the lines running from the Far East via the Suez Canal to the United States, and from some of the South American ports to this country. The rebate circulars are in all cases issued in the foreign countries and the rebates are paid to the shippers at the ports of shipment. These rebate systems are open to all shippers alike, i.e., all are on an equal footing, and a great majority of the shippers express their approval of them. They realize that under the present system they have the benefit of a much more regular service and more stable rates, and also find that

shipowners are always willing to meet the exigencies of the market and help them to do business by reducing rates whenever necessary. Very little objection has been raised in this country (outside of Washington congressional committees) to the rebates paid shippers on their import business, the reason being that in the vast majority of transactions the foreign shipper sells his produce to the American importer at a price covering cost, freight, and insurance, so that the buyer has no interest whatever in the rate or the terms on which the shipper secures the freight, and is therefore not concerned about the rebate.

The question of the legality of deferred rebates as applied to the steamship business has sometimes been raised, but litigation in this country concerning such rebates has been remarkably limited. Some rebates that were withheld by the Brazil lines became the subject of litigation in the courts, but in all instances terms of settlement were arranged without the courts pronouncing judgment. There is, however, a lawsuit involving the legality of such rebates that bids fair to parallel the famous case of *Jarndyce vs. Jarndyce*, immortalized by Dickens. In the early days of this century the Houston and Prince lines were fighting their way into the New York-South African trade, and a shipper who had been offered an inducement in the way of cut rates decided to ship his cargo by the opposition lines. When the rebate period was up and he applied for some \$5,000 to \$6,000 in rebates from the regular lines, payment was refused on the ground that he had clearly violated the terms of the rebate circular under which rebates could be claimed. The shipper, however, was not willing to take "no" for an answer and commenced suit against all the lines, alleging that the rebate circular clearly showed that there was a combination in restraint of trade. He, therefore, invoked the Sherman act, claiming triple damages from the lines. After a three days' trial in court, the judge directed a verdict for the defendants, stating in his opinion that inasmuch as the plaintiff by his own evidence showed that he had no trade to South Africa until after the steamship lines put in their service, and that he had built up a considerable trade, collecting at regular intervals large amounts of rebates from the different lines, it was clear that the combination of steamship lines had built up his trade, and that if he had thought it advantageous to ship his cargo by competing steamers he had clearly broken the terms of the rebate

circular. The plaintiff appealed against this decision, and on a technicality the judgment was reversed and the case set for a new trial. A year or two later the second trial was held and the judge then charged that the rebate circular clearly showed that there was a conspiracy in restraint of trade, and, as all such conspiracies had been held by the court of appeals to be illegal, judgment was directed for the plaintiff for some \$25,000, being triple damages with interest. The steamship companies then appealed the case, presumably on the ground that the judge would not allow evidence as to the reasonableness of the combination, and the court of appeals in this case reversed the judgment and were remitting the case for another new trial, when the plaintiff elected to go to the Supreme Court at Washington without going through the motions of a third trial. The case has been argued before the Supreme Court and now awaits its decision, but as far as the courts have ruled in this case the steamship people urge that deferred rebates are legal and that conferences are not in restraint of trade but, instead, further and build up trade.

In Europe law suits for withheld rebates have been much more frequent than in this country. As a rule the courts there have upheld the legality of the rebate conditions laid down by the conference lines, and shippers who have not complied with those conditions do not collect their rebates. London *Fairplay* reports on the 25th of last June that—

An interesting Belgian lawsuit has just been definitely decided on appeal. An Antwerp firm of shipowners had established a regular steamship service to Brazilian ports in competition with the Brazilian conference, whereupon the members of the conference instituted a system of special rebates in favour of the shippers patronizing their boats. The Antwerp owners then sued the conference before the tribunal of commerce of Ghent. The tribunal decided against the conference, and condemned the rebate circular issued to shippers as being illegal. The members of the conference contested this decision by appealing to the appeal court of Ghent, and got a judgment in their favor, the court giving the opinion that shipping conferences and rebate circulars issued by them were not contrary either to law or good manners, but were, on the contrary, legitimised by the freedom of trade. The Antwerp ship-owners, however, demurred to this decision, and in their turn, appealed to the Belgian supreme court of appeal. This appeal was rejected, and the judgment of the appeal court of Ghent consequently attains the force of law.

CONTRACTS BETWEEN STEAMSHIP LINES AND SHIPPERS

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From the earliest days, the carriage of freight by vessels operating from one country to another was covered by contracts whereby the carriers agreed to perform a definite service in return for a stipulated compensation, and in default of which they would become liable for damages. Freight contracts have always been essential for the protection of the respective parties interested in the transactions. As trade increased, and a greater and greater variety of goods was transported by water, conditions in the contracts governing the carriage of the freight necessarily had to be properly adapted to protect the rights of the several interests. It is the purpose of this article to outline the different types of contracts now in use, and the discussion will relate to (1) contracts made by individual members of steamship conferences, (2) joint contracts made by steamship conferences as a whole, (3) contracts fixing rates in accordance with the volume of shipments, and (4) forms of contracts used.

Contracts made by Individual Members of Steamship Conferences

There are many ports now served by fast steamers with frequent sailings whose early pioneering exporters found their needs catered to by only occasional sailings, dependent upon the rapidity, in the main, with which a cargo could be gathered together that would warrant the owner in making the voyage. The growth of trade in time justified more frequent sailings on the part of the steamship company. This naturally attracted other steamship owners, who viewed the opportunity as an opening for a part of their tonnage, with the usual result that a rate war ensued, that irregularity of service occurred, and that the trade was demoralized to such an extent as adversely to affect the interests of all parties concerned.

To avoid destructive results of unrestricted competition, it became evident to the rival steamship interests in the various trades

that some method must be devised whereby fair rates would be obtainable and regularity of sailings permanently maintained. Experience also taught shippers that rates were not the only factor of vital importance in seeking to build up their foreign market, but that the receiver of the goods could not build up a trade and make it permanent unless regular delivery of goods could be counted on. It therefore became evident that regular sailings were to the mutual interest of both shippers and consignees. Irregular sailings, it was found, too frequently resulted in similar goods being forwarded on vessels sailing at the same time and arriving at about the same time at final destination, thus flooding the market to the injury of the consignees, creating such dissatisfaction as to produce a tendency, which was often carried into effect, of curtailing orders for merchandise which was subject to the disadvantages of an ocean service operating under no fixed rules as to rates and sailings.

To remedy the aforementioned conditions, conference arrangements were generally entered into by the lines. Through such coöperative arrangements, the necessities of the trades could be best considered. The type of steamers best adapted to forward freight economically could be secured, and, instead of competitive lines sailing steamers at or about the same time, the steamer of one line was immediately put on the berth following the dispatch of the previous steamer. This rotation of sailings greatly serves to enable goods to move with a minimum of expense and is instrumental in eliminating various factors in the cost of distribution, such as delay in transportation, storage charges, truckage charges, extra insurance, and cost of rehandling.

But, while the various competing interests were brought into harmony of action through agreements and conferences, it remains to be said that each interest still has its natural pride in the development of traffic along its own lines of policy. Each individual steamship line has its own policy for the development of its business, its own staff for the handling of it, its own way for caring for freight, and, it may be said, its own attitude to shippers; and the success with which it provides these adjuncts of the ocean freighting business serves to give it a reputation which, if long and favorably established, becomes a kind of trade-mark and gives a value denominated as "good will." From this it follows that it proved in many instances agreeable to have shippers follow their preference as to the steam-

ship lines they desired to enter into contract with. Accordingly, one method of contracting is to have each line make its own contract with shippers—the contract being open to small and large shippers alike, irrespective of the volume of shipments—and assume liability for its fulfilment. In this type of contract, it is usually stipulated that the shipper will furnish his entire shipments to the contracting line during a stated period, and in return is assured of an ample tonnage by the line at definite rates. But while under this plan each line individually contracts with shippers, the line when necessary may designate some other line's steamer to carry the goods as per the terms of the contract. If, for any reason, goods should fail to be delivered to the steamer to which the contract applies, the steamer agents simply transfer the contract to the next succeeding steamer, a method of forwarding that has almost the simplicity of carriage by rail, and the wonderful efficacy of the latter has been one of the most potent factors in the development of the agricultural as well as the mining and manufacturing industries of the United States.

Joint Contracts Made by the Conference

Instead of being made with the individual members of a conference, contracts are often entered into by shippers with the conference lines as a whole, *i.e.*, the contracts are "joint contracts." In some instances conference lines pursue a policy of making both joint and individual contracts with shippers, the individual contracts usually being those which cover the shorter periods, such as a few months, while the joint contracts either cover the longer periods or relate to traffic arrangements with shippers which involve the handling of a large volume of freight.

Briefly described, joint contracts instead of being made by each line in the conference on its own responsibility and for its own steamers, are made for the joint account of all the lines belonging to the conference. The shipper usually undertakes to confine his shipment to conference lines, and the lines in turn agree to furnish tonnage at regular intervals, the freight moving forward on any of the conference line steamers as it is tendered from time to time. While rates which are less than the regular tariff rates are usually granted by such contracts, it is generally the policy of the lines to contract with all shippers, large or small, on the same terms.

In the case of large shipments joint contracts have their advantages both from the shippers' standpoint as well as from the standpoint of the individual steamship line which is a member of the conference. There are occasions where the volume of freight to be carried is so great that its proper distribution among the conference lines, to avoid freight congestion, makes it of importance that joint consideration of the freight carrying obligation be given, thus avoiding difficulties that may arise and often do arise where a very large freight tonnage is contracted for by one company. By assuming joint liability under such contracts the conference lines make it possible for exporters of the United States not only to have their goods forwarded promptly at all times, but to enable them to advise consignees definitely when they may expect the receipt of freight.

Should Equal Rates be Charged All Shippers Irrespective of the Volume of Freight Offered?

In the ordinary course of general trade it has been rightly assumed that the purchaser of a large quantity of goods is entitled to a lower price than the buyer of a small quantity. This principle of business runs through all lines of manufacturing, mining, merchandising and the marketing of the products of the farm. The volume of the merchandise offered for sale materially affects prices for both immediate and future delivery. It would appear therefore that there is a right, almost having the force of a natural law, in favor of the large purchaser to buy at a lower price range than can the smaller buyer.

That this doctrine is altogether sound when applied to transportation has been brought into question by the Hepburn law which provides that freight shall be paid at rates published and established for all, the rates being the same to all shippers—large or small—for a similar service involving like commodities. The elimination of the same and purchase of freight room on what may be termed the "shopping" basis on railroads placed the making of rates more in line with the governing idea in the minds of those who were instrumental in granting charters in the early days. The rapid development of the railroads and their daring invasion into new and undeveloped sections of the country were followed by the hit-or-miss system of rate adjustment incidental to a development which was largely either a feast or a famine.

Not many years ago grain and cattle formed the bulk of the freight on which western railroads depended. In banner years of production they had more than they could handle, and roads not particularly well situated to handle the freight economically or quickly sought to share in the traffic, and of necessity were obliged to offer greater inducements than the rate charged by the more direct routes. In the course of years, this practice became and was acknowledged a gigantic evil. It spread from the products of the farm to the products of the factory, and the large shipper grew larger, while the smaller one found his immediate market invaded. Not having the power to offer freight in volume sufficiently large to secure correspondingly low rates of freight to allow him in return to invade the market of his larger competitor, he was generally eliminated under the stress of such unnatural competition. If he survived, it was generally due to the superiority of his goods and the long established market for the same, coupled with the closest economy of operation.

It was fast demonstrated that this principle of charging a lower rate on a larger quantity of freight than on a smaller was unsound in principle when applied to transportation by rail. The carrier had nothing to sell but freight room (discussion of the passenger business is eliminated as having no bearing on freights) and its market for its freight room was limited to the length of its own lines. The shipper, however, was confined to no specific territory. Given low enough rates, his markets could be indefinitely extended. With their extension an increase in the volume of freight naturally followed, which in turn gave an additional power to influence the carriers in the granting of favorable transportation rates, thus further tending to the elimination of competition. So manifest had these evils become that when it was proposed effectively to end them by legislation, which was accomplished by what is known as the Hepburn act, it was accepted as a measure of justice in harmony with the highest ethics of business and in keeping with the principle of equal opportunities to all.

In water transportation rate discrimination in favor of the large shipper has not been fully done away with, and it is quite possible that to do so is not altogether feasible. There are lines of freight, such as grain, which at times offer in such quantities that the very immensity of the tonnage forces water freight upwards. Perhaps

in no other line of trade, as in water transportation, is the working of the law of supply and demand so clearly seen. Given large crops of grain, for instance, in one section of the world and a shortage in another, an inevitable rise in the freight rate will follow and attract tonnage as surely as will the magnet attract steel. Grain was used as our illustration but ore or coal will be equally as effective in advancing rates under the stimulus of demand. These latter two commodities play almost as prominent a part in the world of shipping today as does grain, and are almost if not fully as effective in influencing the freight markets of the world. It is also to be kept in mind that the manufactured goods made from these raw products originate in various sections of the United States and that their final destination is as far apart as the countries of the Baltic and the Far East.

The cable and the wireless telegraph have brought the distant sections of the world closer together than were Europe and America in the first half of the last century. The telephone and the telegraph have almost obliterated distance in our domestic commerce. The double tracking of railroad systems and the building of powerful engines, the increase in the car equipment of the railroads and the equipment for special lines of freight have all tended to change the methods of business. The purchaser instead of ordering in large volume for the purpose of stocking up, which was considered necessary in former days when communication was neither rapid nor regular, now orders in smaller quantities and more frequently. The time that was required, even as late as two decades ago, to make delivery of goods from an interior point in the United States to a European port provoked no protest nor particular comment. Today the demands of the shippers call for an almost steady movement of goods from point of shipment to final destination. This development has tended to induce shippers to examine more closely the consumptive capacity of the markets to which they cater, and to enter into arrangements whereby they may enable themselves to serve their foreign customers for periods covering several months in the future.

To keep fairly and effectively the foreign market equally open to the manufacturers of the United States who make similar goods, it seems necessary and logical to establish equal rates to shippers, small or large. This seems ethical and logical for, unless the small

merchant receives as low rates as his larger competitor the market for his goods is limited if not destroyed. To do otherwise would, from the standpoint of commercial development, prove injurious to the country at large. The small manufacturer may make a superior line of goods, and because of a variety of factors which enter into the cost of production he may be able on many if not most lines to compete with the larger producers. Such competition makes for a surer and a more general distribution of merchandise, diffuses a more general prosperity and enables the country to secure a firmer hold on the trade with foreign countries.

The principle of equal rates to large and small shippers is gradually being recognized in ocean transportation, and the advent of large and fast steamers has forced attention to the justice of the principle. It is being recognized that it is even more necessary to the welfare of nations that are greater factors in the export trade than in their domestic commerce. In an emergency, and of course this is applicable to limited areas only, the manufacturer of this day can avail himself of the modern gasoline truck, if the railroad on which he depended to move the freight is without the necessary equipment. But this is not the case with goods destined for overseas markets. Moreover, the small manufacturer seeking a foreign outlet for his goods cannot economically charter boats, and the steadily growing size of the ocean freighter makes it practically impossible for any save the very largest shipper to enter the freight market and engage tonnage on his own account. The modern forces behind trade development demand regular and rapid service on water as well as on land, and it is being demonstrated that the equal rate principle to large and small shippers of like commodities is as just and equitable when freight is water-borne as it is when carried by rail.

Contract Rates Based on the Volume of Shipments

Fundamentally the question of contract rates based on volume of shipment is: What is the lowest rate obtainable by contract for a cargo which will fill one or more vessels? There are many factors to be taken into consideration in such undertakings. The ocean freighting of the world has vastly increased in recent years, and the sailing vessel for even long-distance voyages has become almost obsolete. Steamers at present often encircle the globe, frequently engaging in port-to-port voyages while on long-distance trips, out-

ward or homeward bound. The opening of the Suez Canal brought new conditions into the ocean freight market, and the opening of the Panama Canal promises further evolution, if not revolution, which will affect shippers and vessel owners alike.

The unparalleled development of the commerce of the world has rapidly altered the freight trading basis. More rapid communication between far-distant nations, such as the fast steamships of today have established, has brought about a rapid increase in the interchange of trade between widely separated nations. Improved communication invariably causes the resources of outlying nations to be investigated. If development is believed to be possible, capital follows, a market is found for the product, the steamship is on hand to aid in the marketing, and, if success meets the initial venture, a broad opportunity for a greater market is placed before the merchants.

Grain, cotton and oil, and more recently, iron, steel and coal have been exported in such immense quantities that much of the traffic must depend on chartered vessels, or on vessels owned by the corporations that are also shippers of one or more of the articles enumerated. Wheat and corn are the two grain products which frequently overflow the capacity of the regular line tonnage. When such proves to be the case, so-called tramp steamers, which ply in no regular trade and are usually open for charter to any well-known port on terms mutually satisfactory to the shipper of cargo and the owners of the vessel, are depended on for the ocean carriage of the goods. It not infrequently happens that shippers of so-called full grain cargoes pay a higher rate for the charter of the ship than is asked by the regular line steamer for lesser quantities, a fact attributable in a measure to the "fluidity" which attaches to grain as an article of export.

When ample supplies of grain are supplemented by urgent demand, the movement seeks no particular route, but seeks the various ports of the seaboard because it is attracted thereto by freight rates which rise or fall with the urgency of the demand for cargo space. Frequently such movements of grain to foreign markets have ended in excessive speculation in ocean tonnage, resulting disastrously to all interests concerned and hampering the steady and profitable growth of a business which is best served when not disturbed by violent price quotations.

The modern development of steamship lines has tended to greater stability in rates for the ocean haul. The various lines operating from our ports to foreign shores have increased the number of their steamers, and the frequency of their sailings. The vessels are also of great cargo capacity and can handle an exportable surplus of grain today that would have required a vast fleet of tramp vessels to aid the regular line fleets of earlier days.

Stability in rates has always been desired by a great majority of shippers, since it makes possible the orderly development of business. The element of speculation is reduced to a minimum, and the produce flows from the original producer of the grain to the final consumer in a steady current that avoids waste, minimizes expenses, and tends to develop the volume of business to its utmost limits. This feature of grain shipments by regular line tonnage is illustrated by the small percentage of grain carried by outside vessels in recent years. Grain is still possibly one of the most difficult articles of export to handle successfully. Yet it is probable that in a few years the carriage of grain for export will be confined to the regular lines, and that long-time or season contracts may be found to be possible. Or it may be possible to establish a rate basis that will permit of the easy transfer of our surplus grain to foreign buyers with results mutually satisfactory to all.

The terms of the sale and purchase of grain have come down to us from the past. The uncertainty of delivery in the early days of ocean transportation was compensated for by various agreements and provisions which provided for penalties in case of failure to carry out the contract as entered into. In the main the contract for the ocean forwarding of grain is similar to the one governing the shipment of flour, *i.e.*, the contract may provide for shipment by a specific steamer either for loading during the first half or last half of month or for loading during a specific month. The contract covering a full cargo of grain usually consists of the charter of a special steamer, the charter party of the vessel providing the terms and conditions under which the grain is carried.

One of the nation's leading commodities of export is oil, crude and refined. For the shipment of crude oil tank steamers have been provided, and many of the oil companies own large fleets. Owing to the nature of crude oil, its movement by water is practically confined to vessels specially adapted to its carriage, and while there are

steamers that may be had on charter, the great bulk of this commodity is forwarded in vessels owned by the oil companies. Refined oil finds a market in almost every quarter of the globe and is a desirable line of freight for vessels loading with miscellaneous cargo. While it moves in sufficient volume at times to give full cargo for many ships, it also offers in lesser quantities and becomes "part" cargo. In this way it becomes a desirable article of freight since it usually moves in such bulk, even as part cargo, that tonnage is not obliged to await the massing together of sufficient other cargo to fill the vessel properly. On account of the volume of business done, the excellence of its packing and the shape of the packages, refined oil lends itself as a commodity peculiarly valuable in long-time ocean contracts.

Owing to the volume in which refined oil moves to foreign points, the charter market may be taken advantage of by the refiners to secure tonnage on terms that best suit them. It does not always follow that the rate paid for such tonnage is lower than may be secured from regular line steamers calling at ports at which the chartered tonnage will be loaded. It is quite possible also that the ship of the regular line has had to sail without all space being filled, which the oil shipments would have well cared for, thus occasioning loss to the ship. Very often delay is experienced beyond the advised sailing date, with the result that consignees of other goods are to some extent injured, and that the export trade as a whole suffers somewhat as compared with that of nations whose freighting arrangements are on a fixed basis with definite sailing schedules. It seems reasonable to believe that where it is possible to enter into long-time freight contracts, they would be of marked value to shippers, consignees and owners of steamers engaged in the carrying trade to regular ports of call. To the shipper such contracts give a stable freight rate, to the ship an assurance of a regular supply of freight, and to consignees regular deliveries. The growth of exports under such conditions is sure to be steady, and a highly valued reputation is won by the exporters of a country who can serve foreign markets under such stable freighting conditions. It would seem, therefore, to be quite desirable that such articles as refined petroleum should be subject to contract for extended periods.

Coal is now beginning to be one of our products that is assuming great proportions in foreign trade. So far it has almost altogether

been carried in steamers specially chartered for the purpose. It is possible with a better knowledge of its qualities and the standards established for it, coal may become a constant and regular article of export, lending itself to the upbuilding of trade with the steamship lines interested in carrying miscellaneous cargo. At its present stage in the export trade, contract rates are based on the volume offered, the time of shipment and the conditions of the freight market.

What was said of coal may also be said of ore, although it must be remembered that ore is chiefly imported and not exported. This commodity has been in the main subject to long-time contracts, and under them the volume of business has steadily increased and the area from which supplies are drawn has been greatly extended.

Cotton is another commodity that swells the volume and value of our export traffic. The great size of the freight steamers now operated by many of the regular lines, makes them peculiarly adapted to the handling of cotton, and possibly the increasing number of steamers with their immense capacity may eventually permit so bulky a line of freight as cotton to move under season contract at fixed rates. The increase in the crop of cotton has fairly kept pace with the increased size of ships, and the supply of export cotton is beyond the capacity of the regular line ships to handle. This commodity, therefore, has still to depend on the number of tramp steamers open for charter, with the usual rate fluctuations incidental to the abundance or scarcity of tonnage.

Two items have become the subject of long-time contracts in recent years, viz., provisions, consisting of barrelled beef, boxed bacon and lard in packages, and cottonseed oil in barrels. Some years ago these two commodities were contracted for on a competitive basis, the lowest rate the shipper could secure being the strongest inducement for the placing of the business. Service was a secondary factor, and the importance of regular and frequent sailings was not fully understood. The rate factor so thoroughly overshadowed the importance of regular deliveries that it was difficult to secure consideration for the many advantages that accrue to both seller and foreign buyer when goods sail on the specific dates for which they were ordered. Eventually short-time contracts were entered into which were followed by contracts for longer and longer periods of time at agreed rates. The success following the operation of these two lines of trade under the long-time contract

system would serve to indicate that the advantages of doing business on such lines could be advantageously secured in other directions.

Agricultural implements and steel and iron for foreign markets constitute a vast tonnage which is steadily expanding. The rate of freight on this material is an important factor to the management of the large supplying corporations. The immensity of their shipments has a distinct influence on the freight market, and frequently creates disturbances which affect other shippers of similar lines, and of other lines as well. The power inherent in the volume of the tonnage allows charters to be made on a favorable basis, and if necessary the general freight market may be invaded in competition with the existing steamship lines. When a corporation has such a quantity of freight that it can load one or more vessels with its own cargo for a single port it becomes a factor with great potential power over rates on various commodities to that port. For itself it is assured the lowest market rate, or it may force a competition in rates that is detrimental both to the interests of shippers and the lines that operate regularly in the route. In the latter case a rate war may follow, which may possibly result in the withdrawal of steamers that are serving all shippers alike, thus compelling the trade to depend on the more or less sporadic sailings resulting from such conditions.

Where transportation becomes an adjunct to manufacturing enterprises, which it does in ocean carrying just as soon as shippers possess enough freight of their own to enable them to load and charter on their own account, only the immediate effect is too frequently given consideration. The shipper of cargoes secures what he regards as a satisfactory rate for his wares, while its effect on the general freight market and on the welfare of the export trade as a whole, if it awakens his interest at all, merely lends thought to the impression that he is in a better position than his competitors to control the market for his goods. Yet it is more than doubtful if such a view is sound. There is scarcely any great line of manufactures that does not carry in its train many subsidiary articles manufactured by various concerns. Delivery at the proper time is quite in the interest of all. Such delivery can be satisfactory only when steamers sail frequently and regularly, and this can be assured only when the steamship line enjoys support in the fullest degree from all interested shippers in the trade of a particular port or country.

Ocean transportation lines are engaged in the business of freighting, and fair and equitable rates are the best basis on which success may be predicated. Only on the basis of fair and equitable rates may regular and frequent communication be built up. The volume of cargo controlled by great shippers is, as we have seen, an important adjunct in the upbuilding of such a regular service. While a great portion of the shipments must necessarily be hurried to market, it has been found to be the case when bookings have been made covering such big lines of freight as agricultural machinery necessitating their being forwarded at certain times to reach the consuming markets, that, where service was arranged in connection with regular lines a wider latitude of time in which to ship was possible, and the necessity of "bunching" freight to make full cargo loading was avoided. There are other great lines of freight in which these factors come into play, and the advantage of long-time contracts based on the volume of shipments would seem to be the next step in the evolution of freighting in our export trade.

Forms of Contracts used Between Shippers and Steamship Companies

Contracts entered into between shippers and steamship companies for the carriage of goods cover a wide range. The different classes of goods exported to foreign countries are as a rule sold subject to many varying contingencies. Conditions are therefore stipulated by the buyer of many lines of goods as to the time the property must clear from the seaboard, meaning the period during which the ship has loaded and the time it enters on the voyage. Another condition that is often stipulated is the time the goods must start from the point of shipment in the interior of the United States. Still other conditions of purchase provide for the loading of the property in a certain month, or for its acceptance for a certain steamer, the name of which is given together with the date on which it is expected to enter on the voyage. Other contracts provide for delivery at destination at certain periods, or refer to port charges, lighterage, or forwarding by rail from the port of delivery to still more distant points.

All these factors enter into the making of contracts for the delivery of goods in foreign markets, and they are of the utmost importance since failure to give them their proper consideration frequently entails heavy loss to the interested parties; because the

seller of American goods for export is several thousand miles away from the foreign receiver, and the latter is obliged to pay charges as noted on the bills of lading in order to get possession of the property consigned.

The consignee, the party to whom the goods are addressed, has no knowledge, as a rule, of the kind of contract the seller entered into for the through carriage of the goods. The property may not have gotten away from the seaboard on a steamer sailing at a date counted on by the receiver, or the goods may come to market too early, in either case causing storage charges to arise. The goods come too late and arrive on a depressed market instead of a high and profitable one as the buyer counted on. The foreign buyer very frequently sells to customers smaller parts of his purchase and agrees to make delivery at a particular time. A departure therefore from the contract governing the sale of the goods, which arises from a default whereby the ocean carrier fails in its performance, sets in motion a train of resulting evils that affect a great many more than those who are immediately shown to be the interested parties. It is therefore very essential that the shipper should first perform his part of the contract and see to it that the goods move from the point of shipment in accordance with the terms of the sale. It is most necessary that the goods arrive at the loading port in ample time to enable the ocean carrier to complete its part of the contract. It may be pertinent now to touch on this phase of the movement of goods under contract.

To those not in immediate contact with shipping, the loading of a steamer is about as well known as the fourth dimension. To the public in general a ship means a ship; it is known of course that some ships are larger than others, as are some cars larger than others, but the shipper of each individual line of goods specializes on a knowledge of his own commodity and has only a vague idea of the other lines of merchandise that may accompany his freight to the foreign markets of the world. For this reason it is essential that goods be at seaboard in ample time to enable their proper arrangement for loading purposes.

Many classes of goods go to make up the cargo of a ship in modern days. The United States has not yet ceased to be an exporter of cereals and their products, but these have ceased to be the only important factor. A vast miscellaneous assortment of goods now go to make up the cargo of the vessels sailing to other coun-

tries. Everything from hardware to locomotives, from coal to oil and timber, and from cereals and their products to meat and meat products packed in various forms, make up the cargo for the steamer of today that loads in our ports. It is also to be noted that the size of the steamer has vastly increased while the time given to load it has not been extended. Instead, it has actually been reduced because most steamers now arriving at our ports come loaded with inward cargo and this must be taken out, yet it is sought to make the time for loading and discharging no longer than it formerly took for loading alone.

The economic reason for such speed is found in the fact that the terminal facilities of various ports have been greatly outgrown. Vast expenditures have been made in the way of new docks and such improvements must be paid for in the end by the commerce that is handled, unless the improvements permit of a sufficiently greater volume of merchandising to be handled within a period of time, not longer than was found necessary prior to the new standards, so as to bring about a reduction in operating expenses. Generally speaking, freight can be carried for a lesser cost on a larger steamer than on a smaller one, and the cost of operation on a large vessel does not proportionately increase with its increased size to the same extent as is the case with a smaller one. There is more room in the large ship, as compared with the smaller, based on the deadweight carrying capacity of both. For these reasons the modern steamer is one of great tonnage, and is of a type that is excellently adapted to carry miscellaneous cargoes at reasonable rates. But these types of carriers must be loaded expeditiously if they are to operate economically, and it is most essential that they operate economically in order that ocean rates be kept at a reasonable level.

It is thus easily understood why it is necessary that goods should be ready for the modern steamer in ample time to enable the proper arrangement of the various classes of cargo destined for shipment. It should also be clear why it is that the terms of contracts for the carriage of ocean freight play so important a part in the flow of commerce. The ship may and very often does carry the same kind of cargo from several different shippers. These parcels are quite often split in different sized shipments, and the contracts governing the ocean carriage may have as many different conditions as there are parcels, all of which conditions must be taken into consideration in making up the cargo that is to be forwarded.

The contracts, entered into between shippers and the steamship lines and governing the movement of freight from the seaboard, are of varying character. In the case of flour shipments the contract for the ocean haul states the time the shipment will leave the interior, the point of loading and the time when the steamship is to load and clear it from the seaboard. But this latter agreement on the part of the steamship company differs radically. Thus with reference to the time of shipment from the interior, the contract for the carriage of flour for export may stipulate for shipment immediately, or within a particular month, or within thirty days, three months or six months from the West, or within any other period which the shipper and the ocean line may agree upon. Again, with reference to the time of shipment from the seaboard the contract may stipulate such shipment for a specific steamer (the name of the steamer being stated in the contract), or for shipment thirty days after arrival, or for shipment by the first steamer after arrival at seaboard. As flour is moved almost altogether on what is termed a through bill of lading, which is issued by the inland railroad in connection with the ocean carrier and provides for delivery at a foreign port, the time of shipment from the interior is stated in the contract, the various periods named as the time of shipment from the interior being based on the date of the contract.

The conditions which govern the shipment of flour also practically govern the movement of grain products, with the important exception, as a rule, of linseed oilcake. This product is one of the important articles of export from the United States and the terms on which it is sold are of a different nature than govern the sales of flour and grain products. Sales of this product are based on clearances from the seaboard for a specific steamer (the name of the steamer being given) either for shipment for the first half or last half of some specific month, or for shipment in a specific month, or for shipment in lots of a specific number of tons in each of several specific months. These conditions of clearance are met on the part of steamship companies by stipulations as to when the property shall be at seaboard ready for delivery to the steamer. This precaution on the part of the steamship owners is necessary in order that they may be in position readily to carry out the contracts as entered into; because frequently the failure of the goods to clear as specified by the terms of the contracts may involve heavy losses

to the receivers who have based their sales, following the purchase from exporters, upon certain specified conditions.

There are many firms that are heavy shippers of goods of a miscellaneous character. Many of these are commission merchants, located at ports on the Atlantic coast and principally at New York, who make purchases on behalf of foreign correspondents. The goods are bought from manufacturers and dealers all over the United States and accumulated at the port of shipment. It is their purpose to gather these goods and forward them in full consignments in accordance with the order as received from the foreign buyer. The ocean carriage for these shipments is usually so arranged as to have the goods forwarded on a steamer sailing at some designated time, and the goods are carried forward usually on a measurement rate, *i.e.*, a rate based on the cubic ton. Such contracts may be for a special sailing or for a longer or shorter period as circumstances dictate.

In various trades freight is offered in full cargo lots, a full cargo usually meaning one kind of cargo of sufficient amount to fill the cargo space of a vessel. Such lines of freight as move in cargo lots consist in the main of petroleum, coal, ore, grain, sugar and lumber, but may also consist of miscellaneous cargo of an amount sufficient to load a steamer to its full capacity.

Contracts covering the movement of freight in cargo lots are usually covered by what are known as charter parties. For the different commodities different forms of charter parties are used. The customs of the trade, and the conditions of loading and discharging vessels vary in the different ports, and the unit on which freight charges are based also differs. In addition there are many conditions affecting the rights and responsibilities of the shippers, the owners of the vessels, and the charterers, which are as far as possible incorporated in the charter parties to the end that all parties in interest may have defined therein the obligations entailed on them by virtue of the contract they have assumed.

There is also a form of charter party which governs the hire of a vessel for a longer or shorter period as may be agreed upon. Such a charter party is known as "time charter," and differs from the usual run of charter parties in that it makes provision for the payment of a certain amount of money for the use of the ship during a specified period of time such as a month, two months, six months or even longer as may be agreed upon. It is not unusual for time charters to be entered upon for a period covering years.

TRAFFIC AGREEMENTS BETWEEN STEAMSHIP LINES AND AMERICAN RAILROADS

BY RUFUS HARDY,

Member of Congress from Texas and Member of the Committee on the
Merchant Marine and Fisheries.

I am writing this article as a member of the Committee on the Merchant Marine and Fisheries, basing it on the investigation of shipping combinations under house resolution 587. Other articles published in this volume show, I feel, conclusively that, as to all trans-oceanic trade between the United States and foreign nations, all the important steamship lines are bound together and work under agreements, verbal or written, by which they not only keep down competition among themselves but effectually prevent any competition worth the name from the outside. It is well to note also that the masters of this trans-oceanic trade look with indifferent eye upon questions of national advantage or disadvantage, and upon the building up or tearing down of the commerce or merchant marine of any special nation. Transportation today is business. It will buy its ships where it can buy them cheapest, and fly the flag that pays the best.

The committee's investigation proved that the great ship lines, whether English, German, or French, adjust their freight rates, their routes of travel, and every other matter of importance in their management and operation absolutely and solely upon considerations of profit and loss to their business, and just precisely in the same way as if some impersonal, denationalized, and cold intelligence were in control. The committee found no shadow of favoritism toward or discrimination against any nationality,—no national friendship or enmity. These corporations were in perfect combination. They sit above the dividing lines of all the nations and in a realm of supernationalism rule all the seas for the sole benefit of business, their business. They nail whatever flag to their ship mast it best pays them in dollars and cents to nail there, and the ship sails whatever route and to whatever port or ports it may with most profit, and, in whatever port or under whatever flag the ship may be,

all nationalities fare alike on board. When studied carefully it is easily understood why this should be so. Patriotism is a virtue much vaunted and paraded, and really very potent in politics, but it weighs little in corporate or individual business rivalry. The merchant buys where he can buy cheapest and sells where he can sell highest. The farmer does the same. Even in little towns the advertisement "patronize your home merchant" rarely ever induces us to pay ten cents for something we can buy for nine cents elsewhere.

On the open sea all transportation is for sale to all buyers, and in its beginning was governed by the laws of competition, just as all other business is in the beginning. Discrimination and special favors are a part of the law of competition, *i.e.*, they grow out of competition. The only business reason for a discrimination in favor of one person or place, as against another, is a calculated benefit to the party making the discrimination. With the lessening of competition, there is a lessening of discrimination. Where there is no competition, or possibility of competition, there is no discrimination. Monopoly or perfect combination simply so conducts its business as to reap the greatest benefit for itself. Overseas transportation after a long period of evolution and growth has, by virtue of the law of survival of the fittest and because of combinations prompted by self-interest, reached the stage of practically no competition.

I shall not now ask whether that condition is better or worse for the commerce of the world than the condition of uncontrolled, unregulated, unrestricted competition. The one is simply the inevitable end of the other. But no uncontrolled monopoly has ever been, or ever will be, either moderate or just. It seems, therefore, that in the future, especially in big business, whether we are to have competition or monopoly, there must be a certain degree of regulation, restriction and control, the degree of such regulation, restriction and control being dependent upon the nature, character and magnitude of the business concerned.

There is one other general observation which I believe the evidence bears out and that is that the only discrimination now practiced in trans-oceanic transportation, continues solely because it is deemed necessary to keep down possible competition, or to add strength to existing combination.

Precisely the same motive—self-interest—that brought about

the condition I have indicated in our foreign trade has acted on our coastwise and inland ship lines, and in the main with the same resultant monopoly or combination, and destruction of competition. The tendency of monopoly and combination is to reach out, to extend and enlarge itself. A business once having secured a monopoly in its own strong-hold naturally reaches out to grasp kindred or allied lines of business. The same tendency to combination that has been operating in our foreign and domestic water transportation has been operating in our railway transportation. In the latter its effects were sooner observed, and we have for a long time been trying to regulate and control it by law. Our success has not been great, but we have at least made a beginning. We have not even made a beginning in the regulation or control of combination or monopoly in water transportation. Whenever and wherever rail and water lines have come in contact or within the sphere of each other's interest there has been on the part of both that tendency to reach out, to which I have referred, a tendency to consolidate and combine the railway and ship line and unify their interests to the monopolization of the carrying business both by land and water.

It must be borne in mind that our railroads were restrained in many ways by law while the ship lines were not. The methods of obtaining the end sought, to wit, transportation monopoly or control, therefore had to be warily chosen. Direct agreements for rebates or discriminations, or pooling, or division of territory, or exclusive working arrangements, and all agreements expressly looking to the crushing of competition, were dangerous to the railroads. Nevertheless, ship lines and railroads have entered into exclusive or preferential traffic agreements. Thirty-two such agreements were brought to the notice of the committee.¹ These agreements have brought about such an alliance between vast railway systems and important steamship lines, joined together by conferences, as would effectually prevent the establishment of any important independent ship line, and very injuriously effect any independent railway. Apparently, ship lines entering New York have only passenger agreements with the railroads; but that is sufficient for their purpose since in their

¹ For a detailed discussion of these agreements see chap. 9 on "Traffic Agreement between American Railroads and Foreign Steamship Lines," pages 239-280 of the *Report on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade*.

case the combined passenger and cargo type of steamers used by the great ship lines, because of their superabundance of cargo space, enables them to dominate the freight rate situation. Oddly enough, the very much smaller port of Galveston seems to be without agreements as to freight between her ship lines and railways. This I take it is for the same reason that exists at New York, since conference lines that enter New York have so much cargo space that they must send many ships practically empty to Galveston for return cargoes. New Orleans possibly for the same reason as Galveston seems to be in the same category. At practically all the other ports on the Atlantic, Gulf, and Pacific coasts, there are freight traffic agreements between the railways and the conference ship lines.

These agreements first gave exclusive privileges, but on account of our rate regulations and certain decisions of the Interstate Commerce Commission they were generally modified so as to state that the railroads and ship lines give only "preferential" treatment to each other. As a fair sample of such agreements I give the outline of one dated May 13, 1912, between the Munson Steamship Line and the Mobile and Ohio and Southern Railway companies relating to the service between Mobile and South American ports. All the exclusive provisions of the original agreement with their modifications are herewith presented side by side. By this and by similar agreements, varying to meet the conditions of the ports and the traffic involved, a very large proportion of our entire export and import trade is parcelled out and controlled.

TRAFFIC AGREEMENT BETWEEN THE MUNSON STEAMSHIP LINE
AND THE MOBILE AND OHIO AND SOUTHERN
RAILWAY COMPANIES

EXCLUSIVE PROVISIONS IN THE CONTRACT OF MAY 13, 1912.

(a) "The railroad companies agree to work exclusively with the steamship line in all matters of water transportation in territories outlined in Article I hereof." (Article II.)

MODIFICATION OF THESE PROVISIONS ON OCTOBER 15, 1912.

This provision was continued in full in the modified contract, except that it was prefaced with the words: "that so far as it lawfully may, or unless compelled by legislative enactment, or order of the Commission, or judicial decree to do otherwise" the railroad companies agree, etc.

Traffic Agreement—Continued.

EXCLUSIVE PROVISIONS IN THE CONTRACT OF MAY 13, 1912.

(b) "The steamship line agrees to do all in its power to stimulate and increase the traffic over the lines of the railroads aforesaid and to put the route to be installed hereunder on a competitive basis with like traffic via other ports as to ocean rates, in so far as it reasonably can." (Article II.)

(c) "The steamship line agrees not to put on a steamship service to or from other Gulf ports to Buenos Aires or other South American ports, to which service may be operated under this agreement, *without the written consent of the railroad companies aforesaid*, except for the carriage of lumber or its products, or other freight which must be loaded at other ports in order to meet competition of other water carriers. *This is not to be considered as according any privilege to the steamship line to take cargo at other Gulf ports which reasonably can be loaded at Mobile or be shipped via Mobile.*" (Article II.)

(d) "The steamship line shall not enter into any traffic contract with other rail lines at Mobile without the approval and consent of the Mobile & Ohio and the Southern Railway." (Article VII.)

MODIFICATION OF THESE PROVISIONS ON OCTOBER 15, 1912.

This provision was continued in full in the modified contract but was followed by the additional words: "and, in so far as it lawfully may, to work preferentially with the said lines of railroads through the said port of Mobile and as to traffic through said port."

This provision was changed in two respects. In the first place the words (indicated in italics) "without the written consent of the railroad companies aforesaid" were changed to "without at least 35 days written notice to the railroad companies aforesaid." Secondly, the last sentence (also indicated in italics) was entirely omitted.

The approval required in this provision was altered so as to read: "The steamship line shall not enter into traffic contract with other rail lines at Mobile without at least 35 days written notice to the railway companies of the proposed contract and of its provisions."

As to our coastwise shipping, I will speak only especially of the Atlantic and Gulf lines. Of the large ship lines in that trade over 60 per cent of the tonnage is owned and controlled by railroads and about 33 per cent by the two large steamship consolidations, the Eastern Steamship Corporation and the Atlantic, Gulf and West Indies Steamship Lines. Altogether, the railroads and these two consolidations control over 93 per cent of the regular steamship lines tonnage. These lines have used various means to prevent or crush competition. They have discouraged the flotation of stock, or the building or chartering of steamers for independent companies, by making credit difficult and in other ways. They have also used fighting ships to destroy a competitor. A unique example of this was shown at Beaumont, Texas. Dealers there in canned goods found they could get no goods delivered direct by water from Baltimore. Also that in shipping such goods from Baltimore to New York by rail and thence to Galveston by water and thence to Beaumont by rail not only were the goods injured by so many handlings but the rates charged were higher than these dealers thought just. They proceeded to organize a company and charter a vessel for direct shipment. They calculated correctly that they could thus ship the goods not only quicker and in better condition but 40 per cent cheaper and still make money for the company. They used all the secrecy they could, but somehow the conference lines found out about their venture and when their chartered vessel got to Baltimore and began collecting its cargo, they found a new company had a vessel there offering to carry the goods at rates greatly reduced, in fact, 25 per cent under the rates on which the Beaumont people had calculated they could safely do business. The first result of this was that the vessel of the Beaumont people procured only about three-fourths of a full cargo on its maiden voyage for the company and lost about \$4000 instead of making a profit of about that sum, as expected. The second result was that the Beaumont people abandoned their enterprise, and the third result was that the new company that cut under them in rates disappeared, the ship used for fighting purposes having gone back to its regular line. The fourth result was that Beaumont's canned goods are now shipped the old way, around by New York and Galveston and at the old rates.²

² See vol. iv, p. 394, of the Committee's report.

These conference lines also used spies and informers against independents, influenced insurance companies as to the marine insurance rates charged, and threatened the patrons of the independent lines. They refused independent ship lines membership in the "South-western Tariff Committee," representing the railroads and the steamship conference lines and established for the purpose of economically printing tariffs, discussing and determining rates periodically, and arranging for the division of through rates between the conference lines and the railroads. By this refusal the independent line is put to heavy printing expense, and is excluded from any prorating with the railroads in rail-water shipments. On all through freight, the independent ship line must take what is left after payment to the railroad of full local rates. Thus on a shipment from Buffalo by rail to New York, thence by water to Galveston via a conference line, and thence to Dallas by rail, the proportion of the freight rate received by each carrier would be fixed by the joint "Tariff Committee," but if an independent or non-conference ship line carried the goods by water from New York to Galveston, such line would simply have to take what was left of the through rate, after paying the local rates by rail from Buffalo to New York and from Galveston to Dallas.³

As a whole, our coastwise shipping seems to be even freer from competition than our overseas shipping. I think one reason for this is the fact that ships built only in the United States can engage in the coastwise trade. Our ship builders most likely find it to their interest to work in harmony with the big shipping combinations. They can give preference in many ways, and are not at all concerned about competition or monopoly. As a result, our coastwise steamship rates are often more than twice as high as trans-oceanic rates, for an equal service. Rates are held up by steamship line understandings with each other and with the railroads, and are held down only by the final judgment of the steamship lines as to how high rates may be made without provoking a rebellion against them by a patient and not over well-informed public. In a statement as to our domestic shipping the committee report⁴ says:

³ *Ibid.*, p. 397.

⁴ *Ibid.*, p. 405.

Considering all the line services noted in the preceding chapters as engaged in the coastwise and Great Lakes trade, the following totals appear: The lines number 66; the steamers operated strictly in the domestic trade, 474; and the gross tonnage of these steamers, 1,180,897 tons. Of these totals nineteen railroads, control 209 steamers (44.1 per cent of the total) and 589,561 gross tons (nearly 50 per cent of the total). Eleven lines belong to shipping consolidations and operate 121 steamers (25.5 per cent of the total) of 279,180 gross tons (23.6 per cent of the total). All told, the thirty lines referred to in the preceding chapters as controlled by the railroads or shipping consolidations operate 330 steamers of 868,741 gross tons, or nearly 70 per cent of the total number of steamers and 74 per cent of the tonnage.

When we come to a consideration of river and canal transportation, we find that it lingers only on sufferance. The railroads, drawing from and supported by territory not touched by the river or canal, can and have so lowered their rates at water competing points as to starve to death any boat line on such waters, *i.e.*, any boat line not belonging or subservient to them—and this they do without loss since they recoup themselves by higher rates at non-competitive points.⁵

The condition between rail and water transportation, as sketched above, is inevitable. Why should we attempt to regulate and control traffic by rail and not by water? I shall not discuss the regulation of carriers in our foreign trade, but as to domestic water carriers, surely the time has come for Congress to act and act effectively.

The Interstate Commerce Commission must be given as ample power over our domestic water carriers as over our railroads, and that power must extend to the regulation and control of the joint and interrelated operations and activities of both kinds of carriers. All agreements between water carriers or between water and rail carriers, as well as all rates and charges both all-water and rail-and-water, should be filed with the commission and be subject to its control. The commission should have power to fix or alter any rate or joint rate, or forbid or approve any agreement filed with them, and to require full reports of the financial and business operations of each carrier. Rebates and discriminations of all kinds and unfair contracts must be prohibited. Likewise, the use of fighting ships and other unfair measures against competitors or shippers, patronizing competitors, must be prohibited. The commission should have

⁵ *Ibid.*, p. 407.

power to make such investigations and establish and enforce such rules and orders as will secure a full compliance by the carriers with the law; also to investigate all charges of unfair treatment and to punish carriers when found guilty of such unfair treatment. All carriers must be permitted to participate freely, under regulations and rules prescribed by the commission in all conference agreements between ship lines or ship lines and railroads, and given under equal conditions equal facilities and divisions of joint rates. These rates and the division or apportionment of the same must be fair and just to all parties, shippers and carriers. The commission should also have power to regulate all transfer and terminal facilities with a view to preventing unfair practices and to securing equal treatment and just charges to all; and it is believed also that to prevent vicious combination between water and rail carriers it is necessary to prevent railway companies from owning or being interested in water lines, and vice versa.

AGREEMENTS AND CONFERENCES IN THEIR RELATION TO OCEAN RATES

BY WILLIAM BOYD,

President of Houlder, Weir and Boyd, Inc., New York.

In practically all recognized ocean trade routes served by more than one steamship line, we find agreements or conferences of some kind. These agreements have lately been subject to investigation, not only in this country, but abroad, prompted doubtless by the belief—more or less general—that combinations must of necessity be in restraint of trade. It is not the purpose of this article to defend agreements or conferences (although to the practical shipping man it is hard to see how our export trade could be properly served without them), but to consider them in their relation to, and their bearing upon, ocean rates.

In considering this question it is necessary first to be quite clear as to the meaning of the word "conference." In England and Germany this term refers to a group of lines working together in a highly organized manner, and which has imposed upon the shipping trade a tie, generally in the shape of a deferred rebate—usually a percentage of the net freight—payable at stated intervals to all "loyal" shippers. In effect this rebate acts as a deterrent to shippers who might support an occasional opportunity to ship cheaper, as the amount retained in hand by the conference lines is quite important, depending of course upon the extent of the shipper's cargo. In these countries it is recognized that conferences, which afford the shipper a thoroughly organized, regular and dependable service, are entitled to require from the shipper some assurance of support and protection from sporadic attack by outsiders, and the deferred rebate system has been upheld by the highest courts.

Lord Chancellor Halsbury in a decision by the House of Lords, December, 1891, says:

I have been unable to discover anything done by the members of the Associated Body of Trades (the conference being sued), other than an offer of reduced freights to persons who would deal exclusively with them; and if this is unlawful, it seems to me that the greater part of commercial dealings where there is rivalry in trade must be equally unlawful.

The British Royal Commission also found that the advantages of conferences to the British export trade outweighed the danger of the conference exercising a monopoly, and sums up the situation as follows:

1. That a conference making use of the system of deferred rebates does possess, so far as the shipper of general merchandise is concerned, a limited monopoly.
2. That the monopoly is dependent upon the system of deferred rebates, or some tie equally effective.
3. That the limits to the monopoly lie, not so much in the actual existence of other adequate methods of transportation, as in the latent possibility of alternative methods coming into existence, if the monopoly be seriously and continuously abused.
4. That the limitations upon a monopoly in any particular trade vary according to the circumstances of that trade.

This limited monopoly, by which conferences are able to maintain rates to some extent irrespective of general market conditions, is, however, entirely dependent upon some tie on the shipper. So-called conferences serving the American trade are probably prohibited from taking advantage of such a tie (at least I know of no trade where the system is in force), and as this paper deals with American business, we have to consider totally different conditions as bearing upon freight rates.

There is of course no essential difference in the shipping business from other private business. The first object with which a man enters it is to make money, and his second is to make as much as he can. The primary idea of a conference in regular line business is undoubtedly to help the lines make money by saving it, as against the wasteful competition which exists when there is no conference or agreement. The line and the shipper, whilst mutually dependent upon each other, are still the two principals in a bargain; neither is altruist, though each expects the other to be.

The American conference is a combination, more or less close, of shipping interests formed for the purpose of regulating competition amongst themselves in the carrying trade upon a given route. The main object with which such a conference is formed is to replace unrestrained competition and demoralized freight rates with intelligent coöperation and freight rates so as to yield as large a return on the capital invested as the trade will stand. These rates are limited by the conference's self interest to develop and not restrain its trade. The object

is achieved by means of an agreement or understanding between the lines concerned under the terms of which the parties thereto will charge the same rates of freight. In other words, the lines do not arbitrarily fix the rate of freight, but agree that whatever may be good business for them to charge, high or low, each and all will maintain the same rate.

Let us see then, first, if such agreements enable the American over-sea conference lines to arrange rates arbitrarily, and, second, what is the effect of such agreements upon rates.

Deprived of the protection offered by the system of rebates or some other effective tie upon the shipper, the existence of conferences depends entirely upon affording the shipper a satisfactory service and reasonable rates. This is the position of the American conference. Theoretically, working under an agreement in a trade where there is no outside competition, conferences can arbitrarily fix rates. They do fix them, but they cannot, because of the international character of over-sea trade and the freedom of the ocean to everything that floats, maintain an unreasonable rate for any length of time. An unreasonable rate on any commodity can result only in that commodity being supplied by some other country, and the loss of its carriage to the conference lines. This would not be good business, nor would it be good policy. The exporter who would also be hurt in his business, would immediately set about encouraging an opposition line, which in the ocean trade is beset with none of the difficulties encountered under similar conditions on land. To understand this one cannot keep too prominently in view the essential differences between ocean and railroad transportation.

Railroads obtain their franchises from the state, which permits them to lay their tracks along the lines of existing or potential trade centers, and to acquire rights of way by the exercise of eminent domain. Without these special privileges a railroad cannot be built. A road which is built in the exercise of such franchises becomes in duty bound to maintain a regular and continuous service, as efficient as the needs of the trade along the line require and the rewards of the business will permit. It is but just that companies thus organized, enjoying property rights acquired often at the expense of the state, and operating by virtue of special privileges, should be held to the performance of the functions for which they were created, and should not so use their privileges as to cause prejudice to the public. They are public utilities and must expect public regulation.

The conditions under which transportation by sea is conducted are totally different. The ocean trade, except for restricted coastwise trade in some countries, is free to all comers. Ships are not fixtures in any trade, and are not constrained by any fixed line or route. They have no public aid, no franchises, and for the most part no advantages of local trade between the termini of their voyages. They owe no duty to the state to maintain a service, or to serve the public. Their enterprises are of a private nature. They may come and go by whatever route or in whatever direction they please. Their only incentive to engage in any particular trade is to develop that trade to such a point that it will yield a profit which will justify a regular and continuous service.

I have had considerable personal experience as a member of conferences, and in fighting against conferences, and as a result of this experience am prepared to state that conferences in this country:

1. Do not maintain unreasonable rates because,

It is not in their power, and

It would not be to their interest.

2. That they are open to successful attack by any ordinarily well equipped line which desires to enter the trade.

3. That while they may have a monopoly in that they have no actual competition, they are continually making concessions to shippers, as a matter of policy, which shippers could not secure in the open freight market.

4. That coercion of the conference by the shipper in the matter of rates is easier and more prevalent than dictation to the shipper by the conference. The shippers can get other steamers or lines, but the lines cannot get other shippers.

The whole history of the shipping business has proved the folly of conferences which tried to trade upon an apparent monopoly, and experience and self-interest have evolved the present-day conference idea, which is combination for the development of trade, and restraint only of wasteful competition amongst themselves. It must surely be evident that, in a business where the buyer has the opportunity of buying in the United States, England, Germany, Belgium or France, the carrying line from America must help the American seller or shipper to make his sale. If the sales are not made, there is no freight to carry. The proper answer to the question therefore is, that while theoretically a conference enables the lines to establish rates, such rates cannot be arbitrary, but must be reasonable. Self-interest

demands that they must enable the shipper or merchant to compete with the shipper or merchant of other manufacturing countries.

This brings us to the question, what is the effect of conference agreements upon rates of freight? Broadly speaking, they tend to their stability, their uniformity, and their maintenance on a parity with rates on similar goods from other countries. The advantage of this to the conference lines, is not so clear as the advantages to the shipper, because of the fact that while the conference lines from this country are generally compelled to follow market conditions, when the freight market is low, they are able to take advantage only to a limited extent of similar conditions when the market is high. It is, however, coming to be recognized as good business for the lines to maintain a moderate level of rates at all times, rather than follow the wide fluctuations of ocean rates between good and bad times, to make the same rate for big and small shipper alike, and to meet at all times, if possible, freight conditions existing in other countries. A market for a commodity lost through a peculiar freight condition abroad may be a market lost forever to the shipper, and tonnage lost forever to the carrying lines. Similarly it is not in the interests of the lines to help the large shipper to become larger, but to enable the small shipper to compete on equal freight terms with the big shipper. The big shipper may be able to charter a boat on his own account whenever it suits him, and two or three controlling a trade could dispense with the conference, but the more small shippers there are requiring regular service in varying articles of commerce, the more demand there is for liner transportation.

Again, the conference liner's interest is not only in the present; he is nursing his trade to develop it, and because of this must take a broad view at all times. He cannot have his cake and eat it too, and cannot eat it lest there be no more cake forthcoming. Without conference lines the export trade of this country, so far as freight rates are concerned, would be governed by the tramp rate, based on the law of supply and demand. As it is, rates in a trade under a conference régime fluctuate but slightly, except to meet conditions raised by the shipper or by conditions in other countries, which to conserve his trade, the liner is compelled to consider. In my opinion conferences or agreements tend to the maintenance of equitable and reasonable rates, adjusted from time to time to meet the needs of the general export trade to the country served by its lines.

The presence of the tramp steamer on the high seas is really the controlling factor in ocean transportation, and it may be of advantage to consider briefly the difference in the nature of the service rendered by the tramp and the line steamer. The "Tramp," to quote Sir Walter Runciman, M.P., (*British Industries under Free Trade*, 130) "goes everywhere, competes for everything against everybody, cuts into any trade—British, foreign or colonial—whenever he can see a profit, and he is similarly subject to attack with no means of defence except his own efficiency."

Practically all the bulk cargoes are carried in tramps—coals, grain, lumber, cotton, ores, sugar, petroleum, nitrates—all the goods which are transported in such quantities that a ship can be hired or "chartered" for the purpose. Chartering is done either for the voyage or for a period of time, and all the conditions of service, except price, have been determined for each trade by the shipowners and merchants and expressed in the contract of hire or "charter party." The price is subject to negotiation and is governed entirely by the law of supply and demand. The essential condition of a charter party is that the vessel shall be loaded with a full and complete cargo, failing which dead freight is payable by the merchant; and the obligation to provide the cargo in a given time falls entirely on the merchant or shipper, another of the principal conditions being that the vessel shall be loaded and discharged either within a specified number of days, or at the rate of so many tons per day. No tramp steam shipowner would undertake to send his steamer to sea on a given day whether the cargo be ready by the specified day or not, and if she is delayed he receives compensation in the shape of demurrage.

As for the liner, "her route is cut and dried;" she sails between fixed ports on regular sailing dates, cargo or no cargo, and all arrangements are made and advertised for weeks or months before hand. Liners vary from the Atlantic passenger boat, through "intermediate" boats of slower speed carrying both cargo and passengers, to pure cargo boats. There is no exact line of demarcation between the liner and the tramp for new trades are always growing up to that degree of magnitude which demands a regular service. The difference in the nature of the service supplied is admirably stated in the *Report of the Royal Commission on Shipping Rings* presented to the British Parliament in 1909, as follows:

The "tramp" loads and usually discharges at one port and preferably a port where the dues are small. It does not sail at a fixed date but waits until it has a full cargo. Moreover, the tramp does not confine itself to a particular trade. It comes into a trade when the freight prospects are good and leaves it when they are bad. It acknowledges no obligation except to go wherever it can obtain the highest freight.

The "liner," on the other hand, generally sails according to a fixed time table almost with the regularity of a railway train, and she sails whether full or not full. She usually loads and discharges at several ports (to serve her trade) and consequently has large expenses in port dues and charges, and, most important of all, she stays in the trade whether the times are good or bad. Moreover, whereas in the case of the tramp the charter party usually requires the merchant to discharge at the rate of so many tons per day with heavy penalties for demurrage, the discharging in the case of the liners is effected by the liners themselves, at their own risk.

The tramp is a comparatively inexpensive steamer built to carry bulk cargoes as cheaply as possible, consistent with efficiency, and is generally of low speed. The cargo liner is usually of higher speed, with extra between decks for the safer carriage of general merchandise and better gear and all-around equipment for its safer handling. She is of higher initial cost and costs considerably more to operate and maintain.

There being so little real similarity in the service rendered by the tramp and the liner, it is very hard to determine the result of their competition in freight rates. The tramp rate governs the liner's rate on bulk commodities, such as case oil, lumber, etc., but hardly affects the general cargo rates. As a matter of fact, in the American export trade, the basis of which in most long-voyage trades is case oil, the liners generally carry this cargo at lower rates than the tramp, and it is only when tramp rates are high that a fair rate is obtainable by the liner on this and similar bulk commodities. The reason is plain: the shipper knows that the liner requires to have this freight as a basis for its cargo and can trade accordingly. The liner may not like it, but must have the bulk cargo and has to take it at the rate the shipper will pay. Both shipper and liner know what the tramp will carry it for, and the result usually is that the liner is forced to cut the tramp rate somewhat. I have said that the tramp hardly affects the general cargo rate, but by this I mean the tramp as a tramp. The tramp, however, when business is bad and rates low can be chartered by the loading broker or by a shipping contractor or speculator and laid on the berth, thus becoming for the time being a general carrier. This ever-

present danger of competition has a great effect on general cargo rates and forces the regular line interests to follow to a very considerable extent the open market value of the tramp steamer. Even in Europe with the deferred rebate system the English and German lines are subject to outside competition by chartered tramps from Antwerp and other ports, and as an example of the effect of this have within the last month reduced their rates on cement and other bulk commodities to the Argentine by from 25 per cent to 50 per cent. Although the conference lines from New York have no such competition at the moment from the United States, they have voluntarily made similar reductions in order, if possible, to keep for this country our share of that market in these commodities. Without a conference the American shipper would have to pay the competitive tramp rate and to a tramp which had no concern as to what was happening in Europe. The New York conference rate on cement to Buenos Ayres at present (June, 1914) is \$2.40 per 2240 pounds. The tramp rate on coals, a commodity more cheaply handled and handled in much less time is \$3.75, and I should say that the equivalent rate on cement would be at least \$4. The market value of the tramp has therefore a very decided effect upon the liner's rates; in fact the tramp is the direct controlling influence on bulk commodity rates and its potential use is a deterrent against the maintenance of high rates on general cargo.

One is often asked what is a reasonable rate on general cargo? and the question is very difficult to answer. Broadly speaking a reasonable rate is the rate the traffic will bear, having in mind that this phrase has limitations in ocean transportation not operative in our railroad business. A combination of railroads between any two interior points which cannot be reached by river or canal, and too far apart for other than railroad transportation, can if unrestrained by law exact practically whatever rate they chose to ask. The consumer must have the commodity whatever it costs, and the consumer pays the freight. But the consumer, let us say in the Argentine, has the choice of buying these commodities in probably half a dozen countries open to him through the avenues of ocean transportation. He gets prices from the United States, Great Britain, Germany, Belgium or France, and buys in the cheapest market, with due regard to quality. It follows therefore that the conference line rate from any country must be reasonably close to that of any other country if the line is to have the freight to keep it running, and as a further corollary the rate the

traffic will bear must *per se* be a reasonable rate. There are commodities which cannot be supplied by some countries, even if they were transported free, and the rate this traffic could bear would be unreasonably low. These may be manufactured at great economic disadvantages behind a tariff wall, but are hopelessly out of the race in competition with the cheapest market. In the complaints steamship lines receive from manufacturers there are many such cases, but it is really unreasonable to expect a carrier to assume any part of the disability of the manufacturer in international trade. In cases where the freight is desirable it is done to some extent, but the principle is unsound. International ocean trade, being entirely competitive and inherently uncontrollable, adjusts itself, if left alone; and international trade in the exchange of commodities is entirely a question of the price of manufacture and efficiency in selling, not of ocean transportation. Different natural resources and differing national aptitudes in industry have resulted in well defined divisions of labor. American harvester machinery, German toys, Swiss watches and British ships are fair examples. The Maine lumberman may feel that his freight rate to South America is unreasonable because he is losing his market to the lumberman in British Columbia, yet he may be paying \$10 per 1000 feet as against the other's \$15. To enable him to compete with his more expensive lumber he might require a \$4 freight rate, which would be unreasonable. English steel and iron industries established at tidewater give the Englishman an advantage in exporting rails, etc., and is a set-off against the higher efficiency of American mills which may have to bear an inland haul to the ocean. The development of cheap water power may change the world's source of supply in certain articles and completely kill the export from their former sources. It is safe to say that the ocean carrier will at first be asked to reduce its freight rate on the articles so affected, but the freight rate has no bearing whatever on the situation thus created.

Because of the nature of the transporting vehicle, a reasonable rate on say steel rails would not be a reasonable rate on cotton piece goods. The steamer has a weight carrying capacity and a measurement carrying capacity. Filled to her weight capacity with steel rails she would carry say 7,000 tons. The same steamer filled with cotton piece goods could carry 8,400 freight tons, and if loaded with the proper proportion of rails and piece goods would lift 10,700 payable tons. As the bulk of our export trade consists of light cargo fairly comparable

to cotton piece goods, it is very advantageous for the steamer to get weight cargo, and we accordingly find the rate per ton on such commodities much lower than the rate per ton on light cargo, which is usually carried on a measurement basis, *i.e.*, per ton of forty cubic feet. Shippers of flour may feel that the rate they are asked to pay for flour to Europe is unreasonable in comparison with the rate on wheat, overlooking the fact that the liner may require a large quantity of wheat as ballast; that the rate it can get on this is governed by its need and the price at which wheat can be landed from the Argentine, India or Russia, and that American flour being in demand in Europe can easily stand the higher rate.

Neither can we judge "reasonableness" by the distance the goods are carried, because of different conditions at the point of destination. The steamer's expenses there have some bearing, but the vital consideration is what the steamer gets to carry back again. In some trades the outward cargo must bear the cost of the homeward voyage or a long shift in ballast. In others the homeward berth may be the better of the two, in which case you will find the outward rates relatively low.

To arrive at what is a reasonable rate, we must apply different reasons in each particular trade, and on each particular commodity, but in general terms, keeping in mind the peculiar conditions governing ocean transportation, I am convinced that a reasonable rate on any commodity is the rate which permits of the export of that commodity. Bear in mind we are discussing general cargo rates in trades where the transportation is furnished by a conference or by lines working under an agreement, in which the shipper is under no necessity to speculate on his freight rate. During the last boom in ocean freights, shippers who had sold bulk cargoes ahead and were caught by the rise had to pay very high rates to the tramp to protect their contracts. These high rates may have appeared unreasonably high to the shipper, in that they yielded a huge profit on the voyage to the tramp, but they were simply a result of the supply of ocean transportation falling short of the demand for it. The pitch pine lumber shippers for instance, paid 197/6 per standard to the River Plate against 120/- in 1911 or 102/6 to 105/-, the present rate. But the general cargo shipper working with conference lines need take no such risk. He gets his freight rate, adds the price of the commodity and his profit, and makes the price accordingly to his buyer. If his bid is accepted in

competition with prices received by the buyer from other countries, it is evident the freight rate must be reasonable; and we have seen that if there is anything the matter with the freight rate, so that he cannot make his sale, it is to the conference liner's interest to put it right. An unreasonable freight rate might conceivably be exacted on a patented commodity not obtainable elsewhere, but even in this case the high rate would be no hardship on the shipper. The consumer wants the article and pays the freight in the price he is willing to pay for it. Should the lines ask a freight rate establishing an export price so high that the buyer chooses to forego the purchase of the article in question, they would soon reverse themselves. They are forced to carry such a big proportion of their cargoes at relatively low rates that the higher class cargo is very desirable and if one cannot get \$12 a ton on, let us say, typewriters, it is much better to take \$9 rather than fill the space with kerosene oil at \$4.

Without an absolute monopoly all business is a question of negotiation and compromise. It may appear at first thought that a conference acting more or less as a unit has a greater power in bargaining than the unorganized body of general cargo shippers, but in the American trade, at least, this is not true. All my experience has proved—often to my discomfiture—that the advantage lies with the shippers, and the great development of our export trade in the last ten years would seem to indicate that they must have been able to secure for themselves reasonable freight rates.

RATE MAKING IN DOMESTIC WATER TRANSPORTATION

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Water traffic falls naturally into two quite distinct classes: (1) high grade, package or miscellaneous freight, such as is transported in barrels, boxes and other forms of containers, and (2) low grade, coarse, heavy freight, such as is generally transported in bulk in ship-load lots. The latter class greatly predominates in tonnage, while the former predominates in value on most of the domestic water routes of the United States.

There is an equally marked distinction in the type of carriers handling these two kinds of traffic, and in the character of service which they render. Package freight is carried almost entirely by steamship lines operating upon regular schedules between fixed terminals, while bulk freight is handled largely by freight steamers, sailing vessels and barges which have no regular schedule, and often no regular route. This is especially true of the tramp vessel, which goes from port to port, carrying any kind of a cargo it can obtain. While there are exceptions to the above classification of water traffic and water carriers, the distinction made is sufficiently clear to deserve recognition in any discussion of water rates, or in the framing of measures for the regulation of water carriers.

The methods of rate making in water transportation are quite different for the two types of carriers, due to the two classes of traffic distinguished above. Regularly established lines, in so far as traffic conditions will permit, follow methods developed by rail carriers. Their rates tend to become, like rail rates, certain published charges applicable alike to all shippers. They often coöperate with railroads in making classifications, publishing joint rates and exchanging freight. The rates of bulk carriers, on the other hand, and the methods of determining them, are essentially different, owing to the character of their business and the more competitive conditions encountered. Bulk freight rates are generally a matter of bargain or agreement between the shipper and the shipowner or agent. They are not published, nor are they the same for all shippers.

The general principle upon which water rates are made is to charge "what the traffic will bear." The cost-of-service principle is less prominent in making water rates than rail rates, because the former are less subject to regulation. When entirely free from restriction, a carrier either by rail or by water will fix its charges primarily in accordance with the value of the service, and only secondarily with reference to the cost of service. In determining the reasonableness of rates, however, any governing body is more apt to emphasize the latter principle than the former. The Interstate Commerce Commission, in numerous instances, has based its decision as to the reasonableness of railroad rates upon the cost-of-service principle.¹

In the following pages are presented in some detail the methods of rate making of regular steamship lines, and of bulk freight carriers. The peculiarities of the two kinds of water rates are also described, and some illustrations given of the practical application of the general principle on which water rates are made. The discussion is confined entirely to freight traffic and to domestic water carriers.

I. Class and Commodity Rates of Regular Steamship Lines

For convenience in making charges, regular steamship lines usually classify their traffic and publish tariffs of class and commodity rates just as railroads do. The more developed and better organized the service, the more completely are railroad methods adopted. Regular lines also, as a rule, exchange freight with connecting railroads. The proportion of their traffic so exchanged is usually larger than that carried from one port to another. In the case of port-to-port traffic, a water line affords but a single route, whereas, in connection with railroads, a water line may be a link in a large number of routes. Where coöperation exists between railroads and steamship lines, physical connection is, if possible, established and traffic transferred from one to the other on through rates and through bills of lading. Where coöperation does not exist, both carriers usually charge the full local rates, and the traffic exchanged must be rebilled at the transfer port. The shipper may also be subject to the further inconvenience, as well as expense, of conveying his consignment from the terminal of one carrier to that of the other.

¹ M. B. Hammond, *Railway Rate Theories of the Interstate Commerce Commission*, p. 42.

Coastwise steamship lines sometimes exchange freight with one another, and with river lines, as well as with railroads. Where there is coöperation between the connecting lines such exchange is made on through rates and through bills of lading, thereby affording the shipper in many instances an all-water service where no single through line exists.

In accordance with the foregoing facts, the rates of regular steamship lines may be divided into class and commodity rates as regards the kinds of traffic transported, and into joint rail-and-water rates, port-to-port rates, and joint water rates as regards the character of the route.

Classification.—In classifying their traffic, regular steamship lines make use of the classifications developed by railroads serving the same general territory. The more important lines are represented on railroad classification committees and participate in the preparation of classifications. Steamship lines operating on the Atlantic coast between New England and middle Atlantic ports, as well as lines on the Great Lakes operating between Lake Erie and western lake ports, use the official classification. Steamship lines operating to the south Atlantic ports use the southern classification, while the lines operating to Galveston and other Texas ports use the western classification. The western classification is also used by regular steamship lines on the Great Lakes, operating between Lake Michigan and Lake Superior ports, and by Pacific coast lines operating to ports south of San Francisco. Lines operating north of San Francisco do not publish class rates, owing to the unsettled conditions in that region, and the lines operating between the Atlantic and Pacific coasts via the Isthmian routes do not use any classification, following the practice of transcontinental railroads on shipments between the Atlantic seaboard territory and Pacific coast terminals.

Although, as just stated, most steamship lines publish class rates, following the practice of railroads, the proportion of their traffic carried on such rates is often very small. Classified freight, however, is carried in important quantities by steamship lines operating between north Atlantic and middle Atlantic ports, and also southbound from these ports to south Atlantic and Gulf ports. Classified freight is also transported in important quantities westbound on the Great Lakes from Lake Erie ports to Chicago, Duluth and other western lake ports.

Terminal and Insurance Charges.—The class and commodity rates of regular steamship lines on package freight usually absorb all terminal charges as do rail rates on such traffic. All the charges incidental to the transfer of freight from one carrier to another are also, as a rule, absorbed in the through or joint rates. For small consignments, such charges may be additional to the rates. Wharfage charges are also absorbed at a large majority of ports. Important exceptions are Savannah and Key West on the Atlantic coast and San Pedro on the Pacific coast. For demurrage, storage, warehousing and other services of like nature, steamship lines generally make extra charges, following the practice of railroads. Special charges, such as the state toll of five cents per ton which is collected upon all traffic at the port of San Francisco, are paid by the shipper in addition to the water rate.

Water lines do not have the same liability for damage to freight carried as do railroads. Therefore cargoes shipped by water are usually insured. Some regular steamship lines absorb the charge for marine insurance in their rates. This is especially true of the lines operating between north Atlantic and middle Atlantic ports, and also of the standard lake lines on westbound traffic since 1907. In the case of joint rail-and-water rates, the charge for marine insurance is also absorbed in some cases. Steamship lines whose rates do not include marine insurance will usually insure goods for the shipper for an additional charge. On shipments to south Atlantic and Gulf ports this charge amounts to 15 cents per \$100.00 valuation, and on northbound shipments from Texas ports the charge is 20 cents. A shipper may insure his consignment with an insurance company, instead of the steamship company, if he prefers. Large shippers sometimes insure all of their consignments between certain ports for a year with some company, taking out what is known as a blanket policy. By this means they are able to effect a considerable saving.

Publication of Tariffs.—The port-to-port business of steamship lines is not under the jurisdiction of the Interstate Commerce Commission. Therefore, the rates on such traffic need not be published and filed with the commission. The same is true of joint water rates. The more important lines, however, publish such tariffs and supplements for the convenience of the shipper, and in a number of cases voluntarily file such rates with the Interstate Commerce Commission.

Joint rail-and-water rates are subject to the jurisdiction of the commission, and must be published and filed in the same manner as rail rates. The preparation and publication of such tariffs is much more complicated and expensive than is the case with tariffs of port-to-port rates. The latter tariffs may embrace but a comparatively few ports, while the former may contain rates for several thousand points of origin, and as many more points of destination.

Joint tariffs of rail-and-water rates are usually published in one of three ways: (1) by a water line with the participating rail lines concurring; (2) by a railroad with the participating water lines concurring; (3) by an agent representing either a number of rail lines or water lines, or both. A good example of the publication of tariffs of joint rail-and-water rates by a water line is that of the Ocean Steamship Company of Savannah, which publishes and files with the Interstate Commerce Commission joint freight tariffs of class and commodity rates, southbound from north Atlantic ports and interior points to Savannah and Jacksonville. One of these tariffs (I. C. C. No. 315) applies to shipments from some 2,400 interior points in New England via Boston, and another to shipments from a large number of points in the territory east of the Pittsburgh and Buffalo line via New York. In making the joint rates from the New England territory, the various interior points are grouped and the rates from each group are made by adding certain arbitraries to the water rates from Boston. There are some ten groups in all, but group number 1 includes more than 90 per cent of all interior points covered by the tariff on Savannah shipments. The joint class rates for this group are higher than the Boston rates by the following arbitraries, which in almost all cases are considerably less than the local rates:

Classes.....	1	2	3	4	5	6
Arbitraries.....	13	12	12	9	8	9

The railroads connecting with the Ocean Steamship Company at Boston do not concur in the tariff and will not accept less than the full local rates on this through traffic. The Ocean Steamship Company, therefore, in order to publish through rates is obliged to absorb the difference between the above arbitraries and the local rates. In some instances this leaves as compensation for the water haul less than half the Boston rates. In other words, the company

carries some of the traffic received from interior points at about half the sum obtained for Boston shipments. In some of the territory tributary to New York a similar situation exists, but the local rates are somewhat lower per ton-mile than those from interior New England points to Boston.

An illustration of the publication of joint tariffs by a railroad with the participating water lines concurring is the Pennsylvania Railroad's joint tariff of class and commodity rates (J. J. I. C. C. No. 403) applying from stations along its lines and connections via New York to the south Atlantic ports reached by the Clyde and Mallory Steamship lines. The Pennsylvania Railroad also published a tariff of joint rail-and-water rates to Charleston and Georgetown via Baltimore (J. J. I. C. C. No. 404) and a tariff of joint rates from New York to Chicago, Duluth, and other western lake ports, and points beyond the lakes, via the Anchor Line, which it controls, and connecting carriers. (G. O. I. C. C. No. 3870.)

Tariffs of joint rates covering a large area are frequently prepared and published by agents in the employ of two or more lines, in order to reduce the expense, which, in some cases, is very large. For example, the Mallory and the Morgan Steamship lines, both of which operate between New York and Galveston, employ Mr. William J. Sedgman as agent and attorney to publish for them a joint freight tariff of class and commodity rates from New York and points in Atlantic seaboard territory to Texas points. This tariff (I. C. C. No. 60) names a large number of participating carriers. The rates published therein apply from some 4,500 points of origin and to more than 2,800 points of destination. Mr. F. A. Leland, as agent and attorney for the southwestern rail lines and the Mallory and Morgan Steamship lines, publishes a tariff of joint rates northbound from Texas points to points in the seaboard territory. This tariff (I. C. C. No. 1036) covers some 3,000 points in Texas, and more than 4,000 points of destination. Mr. J. C. Cottrell, successor to John A. Ryan, as agent and attorney for the Merchants and Miners Transportation Company and the Old Dominion Steamship Company, publishes joint freight tariffs of class and commodity rates southbound from the north Atlantic ports and interior points to some 3,000 local and junction points in the South and Southwest. (I. C. C. No. 22; I. C. C. No. 18.) Most of the rail connections are made at Norfolk or Newport News.

The joint freight tariffs filed with the Interstate Commerce Commission sometimes contain what are called proportional rates. These are usually lower than port-to-port rates, and are applicable to shipments to interior points for which no specific through rate has been provided. Sometimes tariffs of only proportional rates are filed with the Interstate Commerce Commission. Although the commission's authority over such rates has been questioned, since they apply only to the water haul of through shipments, so far it has not been contested in the courts. The Merchants and Miners Transportation Company, however, has filed such tariffs under protest since 1906.

The publication of tariffs of joint rates in the manner described above, and the division of such rates among the participating rail-and-water carriers, requires the coöperation of the parties to the pro-rate. Steamship lines publishing or participating in such tariffs are generally members of railroad traffic associations where such rates are discussed. Mr. Raymond, vice president and general manager of the Clyde and Mallory Steamship companies, testified before the House Committee on the Merchant Marine and Fisheries on this point as follows:

The traffic officers of the various companies, both rail and water, meet in conference, I think it is every 60 days, to discuss, as I understand it, . . . and the rates are announced and put in effect. It is clearly with the permission of the Interstate Commerce Commission, by which all this traffic is regulated, except the port-to-port business. (*Proceedings in the Investigation of Shipping Combinations*, vol. II, p. 1162.)

Mr. Raymond was referring to the meetings of the Southeastern Traffic Association, with headquarters at Atlanta. The Clyde and Mallory Steamship companies have been represented in such conferences since the formation of the Southern Railway and Steamship Association, in 1875.

Joint rail-and-water rates, being subject to the jurisdiction of the Interstate Commerce Commission, as stated above, must be maintained in the same manner as rail rates. The same is true of proportional water rates. Port-to-port rates, on the other hand, are not subject to such regulation, and need not be maintained except at the option of the carrier. In actual practice, however, there appears to be little rebating or rate cutting by the more important steamship lines on package freight, where conditions are settled.

Where conditions are unsettled, however, either rates are not published at all, or, if published, are not maintained, but used mainly as a convenient basis for determining actual rates.

Rate Adjustments.—In making their rates regular steamship lines are guided by the charges of competing rail lines, steamship lines and other water carriers. In actual practice there is almost always an adjustment of rates rather than active competition between the regularly established routes, both rail and water, just as is the case between parallel railroads. With tramp vessels, however, no adjustment of rates is possible. Their rates must be met or the business surrendered. Such competition affects mainly the port-to-port business and the lower grades of traffic. Lines operating between New England and middle Atlantic ports encounter practically no competition from tramp vessels, since their business consists largely of high-grade freight and the routes are comparatively short, while lines operating northbound from Gulf ports and south Atlantic ports to New York usually find it necessary to compete with tramp vessels for low-grade freight in order to complete their cargoes. On the Pacific coast regular lines operating between San Francisco and Oregon and Washington ports encounter tramp competition on practically all their traffic. This accounts for the unsettled conditions in that region, already referred to. Even the higher grades of traffic shipped northbound are not free from competition, for the lumber schooners, rather than return empty, will take this traffic at almost any rate they can get.

The adjustment of rates between regular steamship lines serving the same ports usually results in identical port-to-port rates. In a few cases weaker lines are allowed a small differential below the rates of the established lines. For example, the published rates of the five lines operating on the Great Lakes between Buffalo and Chicago are practically identical. The same is true of the five steamship lines operating between San Francisco and San Pedro (port of Los Angeles) on the Pacific coast. On the Atlantic coast there are only a few cases where two or more lines serve the same ports. The three lines operating between Baltimore, Md., and Norfolk, Va., have the same rates, as do the two lines operating between New York and Galveston.

A good example of a case where a weaker line obtains a differ-

ential is that of the Maine Coast Company, which operates between Boston and Portland, Me., in competition with the Eastern Steamship Company. The differential enjoyed varies from one-half cent to one cent per 100 pounds for the different classes. Another case is that of the Colonial Navigation Company, which operates between New York and Providence in competition with the New England Steamship Company, controlled by the New York, New Haven and Hartford Railroad. It enjoys a differential of two cents per 100 pounds on all the six classes.

In the foreign trade, apparently, written agreements in regard to rates are often entered into by the competing steamship lines. In the domestic trade, however, owing to the existence of the Sherman law, identity of rates is most frequently arrived at by a tacit understanding between the interested parties. By means of conferences or otherwise, competing lines keep each other informed in regard to matters of common interest. Before any change in rates is made it is talked over. Harmonious action almost invariably results. Mr. H. H. Raymond, vice president and general manager of the Clyde and Mallory lines testified before the House Committee on the Merchant Marine and Fisheries that the Mallory Line and the Morgan Line to Galveston notified each other of any proposed change in rates. If one line raised or lowered its rates the other made the same change.²

Practically all the steamship lines out of New York engaged in the southbound coastwise trade are members of the Coastwise Freight Conference, the purpose of which is the economical printing of tariffs and the regulation of other matters of common interest. The standard lake lines also have an association in which rate adjustments and other matters are discussed. Each line, however, publishes its tariffs separately.

During the last decade there has been scarcely a single instance of a rate war between competing steamship lines engaged in the domestic coastwise trade. The few important ones that occurred in the preceding decade usually resulted from the attempt of a new

² *Report of the Committee on the Merchant Marine and Fisheries on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade*, vol. iv, p. 391. Hereafter this report is referred to in the text as vol. iv.

line to inaugurate a service in competition with an established line. These rate wars were almost always of comparatively short duration. Either the weaker line was crushed out, or an understanding reached providing for the elimination of further competition and a restoration of rates. Under present conditions it is almost impossible for new lines to enter the field if opposed. The report of the Committee on the Merchant Marine and Fisheries calls attention to a variety of ways by which the established lines can keep other lines out (vol. iv, p. 392). Among the most important may be mentioned (1) the refusal of the railroads controlling or coöperating with the established lines to enter into prorating arrangements with a new line, thus confining its business practically to port-to-port shipments, and (2) the control of terminal facilities by railroads or established lines, which amounts practically to a control of the water routes.

In adjusting their rates with respect to competing rail rates, the usual practice of steamship lines is to fix them at a figure which will secure a satisfactory share of the traffic. In other words, they charge "what the traffic will bear." Three possible adjustments result from the application of this principle. In a large majority of cases the water rates are lower than the rail rates by certain differentials which are supposed to compensate the shipper for any disadvantages or inconveniences of the water service, or which are forced by tramp competition. In a few cases the water rates are made equal to the rail rates, especially where steamship lines afford a prompt and reliable service, and tramp competition is absent. In one or two instances the water rates are higher than those of competing railroads, because of the promptness of the service afforded, or some other special advantage enjoyed by the water route.

A brief description of the adjustments between rail and water rates on the principal domestic routes will illustrate how charging "what the traffic will bear" works out in actual practice. Table 1 shows the adjustments of rail and water rates along the north Atlantic and middle Atlantic coast, as far south as Norfolk.

TABLE 1—RATE ADJUSTMENTS OF ROUTES BETWEEN THE PRINCIPAL
ATLANTIC PORTS NORTH OF NORFOLK, VA.

(Official Classification, except as noted)

Route	Class Rates (In cents per 100 lbs.)					
	1	2	3	4	5	6
<i>I. Identical Rates</i>						
Boston and Portland, Me:						
Rail.....	21	16	13	11	9	6
Water.....	21	16	13	11	9	6
Boston and Philadelphia:						
Rail.....	35	30	25	20	17	15
Water.....	35	30	25	20	17	15
Boston and Baltimore:						
Rail.....	42	37	32	24	20½	17
Water.....	42	37	32	24	20½	17
Boston and Norfolk:						
Rail.....	45	39	34	30	25	22
Water.....	45	39	34	30	25	22
New York and Norfolk:						
Rail*.....	32	27	23	20	15	12
Water*.....	32	27	23	20	15	12
Philadelphia and Norfolk:						
Rail*.....	30	25	21	18	14	11
Water*.....	30	25	21	18	14	11
Baltimore and Norfolk:						
Rail*.....	26	22	18	16	13	10
Water*.....	26	22	18	16	13	10
<i>II. Non-Identical Rates</i>						
New York and Portland:						
Rail.....	40	34	26	20½	17½	15
Water.....	35	30	23	19	16	14
New York and Boston:						
Rail (N. Y. N. H. & H.).....	34	29	23	19	17	15
Water.....	29	24	18	17	14	12
New York and Fall River:						
Rail.....	32	29	24	18	17	15
Water.....	27	23	18	16	14	12
New York and Philadelphia:						
Rail.....	22	18	15	12	10½	9½
Water.....	18½	14½	12½	10	9	8
New York and Baltimore:						
Rail.....	34	29	23	18	15	12
Water.....	30	25	20	16	13½	10½

* Southern classification, numbered classes only

In the first half of the table will be found the principal instances of identical rail and water rates on the Atlantic coast. Such a rate adjustment is rarely found elsewhere in the domestic trade. It will be seen that identical rates occur on all routes having either Boston or Norfolk as a terminal, except the route between Boston and New York. In the second half of the table there will be found a number of routes similar to those having identical rates, on which the steamship lines enjoy small differentials. Just why the rates are identical in one case and not in the other is difficult to understand.

The identity of rates existing on the several routes shown in the above table applies not only to the classified freight, but to practically all the traffic handled, thus showing the absence of tramp competition. Moreover, this identity of rates has existed in most cases for a considerable length of time. Where rates have changed, the change has been made simultaneously by both carriers, showing an understanding between them as to the adjustment. It is quite natural that steamship lines and railroads which coöperate as regards the making of joint rates should extend that coöperation to the rates on port-to-port business.

A comparison of the rates shown in the table from Boston to Norfolk with those from Boston to Baltimore will further illustrate the methods of rate making by regular steamship lines. Water rates are lower to Baltimore than to Norfolk—an intermediate port—because they are made with reference to the rail rates to Baltimore, which are lower than the rail rates to Norfolk. On the cost-of-service principle the water rates to Baltimore should be higher than the water rates to Norfolk, because of the greater sailing distance.

An interesting point in connection with the water rates from New York to Norfolk is that although the Old Dominion Steamship Company's port-to-port rates are identical with the corresponding rates of the Pennsylvania Railroad Company, in the division of joint rates with rail carriers it gets an equivalent of only 162 rail miles, although the actual sailing distance is 328 miles. In other words, to take an example, the Old Dominion Steamship Company receives 32 cents per 100 pounds first-class for port-to-port shipments and only about 16 cents for the same service where the shipments are exchanged with the railroads connecting at Norfolk.

The rates of steamship lines operating between the north Atlantic

and south Atlantic ports are lower than the all-rail rates by differentials which are much larger than those shown by table 1. In addition to the all-water routes, there are water-and-rail routes via Norfolk, the rates of which are less than the all-rail rates but higher than the water rates by certain differentials. The rate adjustments via these three routes are shown in table 2.

TABLE 2—RATE ADJUSTMENTS OF ROUTES FROM NORTH ATLANTIC TO SOUTH ATLANTIC PORTS

(Southern Classification)

Route	Class Rates (In cents per 100 lbs.)					
	1	2	3	4	5	6
Boston to Charleston and Savannah:						
All rail.....	87	73	62	45	37*	32
Water and rail.....	75	63	53	37	31	27
All water.....	57	47	37	29	24	19
New York and Philadelphia to Charleston:						
All rail.....	84	70	59	43	35	30½
Water and rail.....	72	60	50	35	29	25
All water.....	57	47	37	29	24	19
Baltimore to Charleston:						
All rail.....	74	62	56	43	33	25
Water and rail.....	62	52	47	35	27	19
All water.....	54	44	34	26	22	17
New York, Philadelphia and Baltimore to Savannah:						
All rail.....	84	70	59	50	41	32
Water and rail.....	72	60	50	35	29	25†
All water.....	57	47	37	29	24	19
Boston to Jacksonville:						
All rail.....	113	94	75	55	46	37
Water and rail.....	78	66	56	39	33	29
All water.....	67	57	47	33	26	20
New York, Philadelphia and Baltimore to Jacksonville						
All rail.....	106	87½	71½	51½	41	35½‡
Water and rail.....	75	63	53	37	31	27§
All water.....	67	57	47	33	26	20

* 41 cts. to Savannah.

‡ 32 cts. from Baltimore.

† 21 cts. from Baltimore.

§ 23 cts. from Baltimore.

It will be seen from the table that on shipments from New York and Philadelphia to Charleston and Savannah, the water-and-rail routes have a differential of 12 cents first-class, 10 cents second-class, and 9 cents third-class, while the all-water routes have a differential of 27 cents first-class, 23 cents second-class, and 22 cents third-class. From Boston the differentials are larger, while from Baltimore they are smaller. On shipments from New York, Philadelphia and Baltimore to Jacksonville, the water-and-rail routes have a differential of 31 cents first-class, $24\frac{1}{2}$ cents second-class and $18\frac{1}{2}$ cents third-class, and the all-water routes have a differential of 39 cents first-class, $30\frac{1}{2}$ cents second-class, and $24\frac{1}{2}$ cents third-class. From Boston the differentials are larger. The existence of the same differentials for several of the different routes is due to the grouping of both northern and southern terminals. The grading of the differentials in the same manner as the rates makes the ratio which they bear to the rail rates fairly constant.

In discussing these apparently large differentials in favor of the water routes to south Atlantic ports, the fact should not be overlooked that the water rates do not include marine insurance. If the charge of 15 cents per \$100 valuation is added to the water rates it will be seen that the differentials given above will be somewhat reduced. Nevertheless, the actual differentials are considerably larger than any existing on the routes referred to in Table 1, a fact which indicates that the steamship lines serving south Atlantic ports are not able to make even their southbound rates entirely with reference to the all-rail rates. The water-and-rail routes via Norfolk, doubtless, have some influence. Furthermore, active tramp competition exists for the lower grades of freight and exerts at least a potential influence upon the charges for the higher grades. The Interstate Commerce Commission, in a recent decision with reference to fourth section violations in the southeast, makes the following statement on this point:

In addition to the freight carried by the regular steamship companies large and important quantities of low-grade commodities move into and out of the south Atlantic ports by tramp steamers and steamers belonging to lumber companies moving loaded out of the south Atlantic ports and returning empty except for such traffic as can be obtained. Considerable tonnage is handled by sailing vessels. Cement, coal, fertilizer materials, etc., move to the south Atlantic ports in large quantities by these irregular steamships on lower rates than are afforded by the regular steamship lines. The service

of these tramp steamers, lumber steamers, sailing vessels, etc., constitutes a check upon the rates of the regular steamship lines, compelling low-rates from them, particularly as to all classes of low-grade traffic which can be handled to advantage by the irregular steamers and sailing-vessel service. (30 I. C. C. Repts., p. 170).

The facts presented in this decision of the Interstate Commerce Commission show that the all-rail rates to south Atlantic ports are lower than other rates in southern territory, but, nevertheless, are not below the actual cost of handling the business; also, that the rates of the steamship lines are so much lower than the rail rates that they get most of the traffic not carried by the tramp vessels. It appears that rather than further reduce their rates, the railroads surrender the business to the water carriers.

The adjustment of southbound rates shown by table 2 has been in force with few changes for a considerable number of years, apparently, owing to the absence of any disturbing factors. Commodity rates, as well as class rates, have been very stable. In some instances the steamship lines have even been able to raise their rates, while rail rates remained unchanged, thus diminishing the differentials. In 1907 they raised their rates simultaneously, as well as equally, to several south Atlantic ports, thereby maintaining the existing adjustments.

Tramp competition is more severe on northbound than on southbound shipments, since the traffic consists to a much larger extent of low-grade freight. Northbound rates are therefore less stable and fixed with less reference to the rail rates. In some cases, especially on lumber shipments from Jacksonville, they are made entirely with reference to the schooner rates, changing from day to day. There is, however, an apparent tendency toward more stable conditions. The Ocean Steamship Company now voluntarily files with the Interstate Commerce Commission port-to-port rates on lumber shipments from Savannah, which it is able to maintain in spite of tramp competition.

The rates of regular steamship lines operating from north Atlantic and middle Atlantic ports to Gulf ports except Galveston are made with reference to the competing rail rates, following the general rule. The differentials, however, are larger than those of the water routes to south Atlantic ports, indicating the existence of more severe tramp competition. The water rates are so much lower

than the rail rates that the railroads get very little of the traffic southbound, and practically none northbound. The rates of the two regular lines operating from New York to Galveston are made primarily with reference to the all-rail rates from St. Louis, there being no through rail rates published from New York and practically no shipments by rail.

The adjustment of water rates as regards the several Gulf ports is the same as the adjustment by rail. For example, Key West, has the highest rates because of its location at the extreme end of the Florida peninsula. The rates to Tampa are lower than those to Key West, but higher than the rates to Mobile, which, in turn, are higher than the rates to New Orleans. The following table showing first-class rates southbound from New York to these ports will illustrate the existing adjustments. The rates are in cents per hundred pounds.

TABLE 3—RATE ADJUSTMENTS OF ROUTES FROM NEW YORK TO GULF PORTS

From New York to	All rail	Water and rail via Norfolk	Water	Classification
Key West.....	172		103	Southern
Tampa.....	156	115	95	Southern
Mobile.....	123	100	75	Official
New Orleans.....	118	95	70	Official

The rates to Galveston by water are about the same as the corresponding rates to Mobile, although the sailing distance is very much greater. The first-class rate southbound from New York, for instance, is 75 cents, western classification. Not only is active tramp competition encountered, but new lines are more frequently inaugurated on this route than on any other route in the country.

The standard lake lines fix their rates in most instances with reference to the competing rail rates in the same manner as the lines serving the Atlantic and Gulf ports. The adjustment is more complete in the case of the westbound movement, since it consists largely of package freight, on which there is no active tramp competition. A considerable proportion of this westbound movement of package freight originates in New York. In addition to the all-rail route there is a rail-and-water route with transfer at Buffalo or Erie and an all-water route via the Erie Canal and Great Lakes.

In the latter case the railroads organized or acquired forwarding companies, which until recently chartered canal barges and quoted through class and commodity rates westbound from New York in connection with the standard lake lines.³ Table 4 shows the adjustment of rates by these three routes.

TABLE 4—RATE ADJUSTMENTS OF ROUTES FROM NEW YORK AND BUFFALO TO WESTERN LAKE PORTS.
(Official Classification)

Route	Class Rates (In cents per 100 lbs.)					
	1	2	3	4	5	6
New York to Chicago:						
All rail.....	75	65	50	35	30	25
Rail and lake.....	62	54	41	30	25	21
Canal and lake*.....	42	38	29	22	19	17
New York to Duluth:						
All rail.....	115	99	76	53	46	38
Rail and lake.....	68	59	45	33	28	24
Canal and lake*.....	48	43	33	25	22	20
Buffalo to Chicago:						
All rail.....	45	39	30	21	18	15
Lake lines.....	35	31	24	17	15	12½
Buffalo to Duluth:						
All rail.....	95	79	60	42	36½	29½
Lake lines.....	41	36	28	20	18	15½

* Two forwarding companies cancelled their canal-and-lake rates in the spring of 1913 and the two remaining companies in the spring of 1914.

It will be seen from the table that the differentials enjoyed by the lake routes to Duluth are much larger than those of the lake routes to Chicago. By rail and lake from New York to Duluth, for instance, the differential first-class is 47 cents, while to Chicago it is only 13 cents. By canal and lake, until the through rates were cancelled, the differential first-class was 67 cents to Duluth against 33 cents to Chicago. Likewise, the differential of the lake route from Buffalo to Duluth is 54 cents in contrast with a differ-

³ Cf. *Report of the Commissioner of Corporations on Transportation by Water in the United States*, part iv, p. 57; also *Report of the Committee on the Merchant Marine and Fisheries on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade*, vol. iv, p. 324.

ential of only 10 cents to Chicago. The marked difference in the size of these differentials results from the fact that the rates of the lake routes to Chicago are made with special reference to the all-rail rates according to the general practice, while the rates of the lake routes to Duluth are made, apparently, with more reference to other factors, such as the competition of New York and Chicago for the Duluth market.

The lake route to Duluth especially from Buffalo is more direct than the rail route and as a result of the large differentials handles most of the traffic. The lake route to Chicago, on the other hand, is some 400 miles longer than the rail route and the differentials enjoyed are so small that the railroads carry a large proportion of the traffic. Witnesses before the House Committee on the Merchant Marine and Fisheries expressed the opinion that these differentials were not large enough to offset the disadvantages of the lake route (vol. iv, p. 329). As a matter of fact they are much smaller now than formerly, for since the acquisition of the standard lake lines by railroads they have been reduced in some cases as much as 30 per cent. This was accomplished by advancing the water rates while the rail rates remained stationary and was made possible by the absence of tramp competition.

On the Pacific coast the port-to-port rates of regular steamship lines operating from San Francisco to southern California ports are made with reference to the competing rail rates, having fairly large differentials, while on shipments from San Francisco to Oregon and Washington ports, the rates of regular lines are made more with reference to the schooner rates than to the competing rail rates. Conditions are less settled on these routes than anywhere else in the domestic trade. The traffic is not classified, and the rates on package freight are generally quoted at so much per ton as are bulk freight rates. On some commodities a measurement ton of forty cubic feet is the basis for computing rates.

There are four principal routes for shipments between the Atlantic seaboard and Pacific coast ports. In addition to the all-rail routes of the transcontinental railroads, there is an ocean-and-rail route via the Morgan or Mallory lines from New York to Galveston, and the Southern Pacific Railroad or the Atchison, Topeka & Santa Fe Railroad from Galveston to the Pacific coast. There are also two Isthmian routes—one via Panama, and the other via

Tehuantepec. The rates of the three rail-and-water routes are adjusted with respect to the all-rail rates in accordance with the general practice. The rates via Galveston are practically identical with the all-rail rates, while the rates by the two Isthmian routes are lower by certain differentials. From 1904 to 1908, westbound rates via the Panama route were less than the all-rail transcontinental rates by 30 per cent on less-than-carload and 20 per cent on carload shipments. In March, 1908, the percentages were changed to 40 per cent for less-than-carload and 30 per cent for carload lots. Since July 20, 1909, the westbound rates of the Panama route have been published in tariffs, but they still continue to be fixed at certain percentages less than the corresponding all-rail rates.

In the case of the Panama route, the Panama Railroad has two co-carriers operating between California ports and the Isthmus—the Pacific Mail Steamship Company and the Luckenbach Steamship Company. The through rates by either of these two co-carriers are identical. On the Atlantic side the Panama Railroad, owned by the Federal Government, operates its own line of steamers.

When the American-Hawaiian Steamship Company began operations via the Tehuantepec route in 1907, its rates were fixed with reference both to the all-rail rates and the rates via Panama. As a result its rates are in a number of instances identical with those via the Panama route. In a large majority of cases, however, they are slightly higher or lower, as the case may be. The rate adjustments of these two Isthmian routes, as well as the tendency of competing steamship lines everywhere to agree among themselves as to rates, has been emphasized in the recent hearings and debates on the Panama tolls question.

In view of the fact that most of the important steamship lines on the Atlantic coast and Great Lakes are controlled by railroads or shipping combinations,⁴ the question may well be raised whether the rate adjustments described above have not been brought about by such influence. The tendency of steamships, however, to make their rates, just as far as possible, with reference to the rail rates, appears to have always existed in the domestic trade. It is the practice of independent lines, as well as of those which were formerly independent, but are now controlled. Railroad or combination con-

⁴ For details regarding control consult reports referred to in footnote 3.

trol, however, may have had some influence upon the size of the differential allowed the water route. For instance, on the Great Lakes, following the acquisition of the principal steamship lines by railroads, the differentials in some cases were greatly reduced by raising the water rates, while rail rates remained stationary, and on Long Island Sound the differentials of the New England Steamship Company (N. Y. N. H. & H.) operating between New York and Providence, Fall River and Newport, were increased in 1903 by raising the rail rates while the water rates remained stationary.

Regulation of Rates.—In the preceding pages the following facts have been shown:

1. Regular steamship lines follow the practice of railroads in classifying traffic, publishing rates, exchanging freight and adjusting rates with reference to those of other routes, at least to the extent that traffic conditions will permit.

2. Under present conditions the old established steamship lines have about as complete a monopoly of their routes as railroads have.

3. Regular steamship lines, when serving the same ports, do not compete with one another, but agree as to their rates. They also agree among themselves as to the exchange of freight and the adjustment of rates in a given territory, even when not directly competitive.

4. The only active competition which regular steamship lines have to meet is that of tramp vessels. On some routes this competition has become practically negligible. On others it is still active, but diminishing in effectiveness, while on a few routes it is still flourishing, and controlling in its effect upon the rates of regular lines.

5. On routes where tramp competition is absent, the port-to-port rates of steamship lines are, in some instances, identical with the corresponding rail rates, and in others less by small differentials. In such cases water rates compare favorably with rail rates in stability, and all other respects. On routes where tramp competition still exists the rates of regular steamship lines for the lower grades of freight are most affected. On the higher grades, competition is largely potential. With the development of traffic, tramp competition tends to diminish, and the rates of regular lines tend to rise accordingly. On a number of water routes where conditions have become settled there have been important advances in rates of regular lines during the last decade, and further advances may be

expected in the future, especially if the railroads are allowed to increase their rates. In fact, tariffs of port-to-port rates, providing for such advances, have recently been filed with the Interstate Commerce Commission.

The logical conclusion to be derived from these facts is that the rates of regular steamship lines should be subject to regulation in the same manner as rail rates in order that they may not abuse the monopoly powers which they have acquired and prevent the public from realizing the advantages of cheaper water transportation.

On all traffic which is exchanged with railroads on through rates, regular steamship lines are already subject to the jurisdiction of the Interstate Commerce Commission. This constitutes in most cases a considerable proportion of their total freight business. Also, since the decision of the Supreme Court in the Goodrich Transit case in 1912, all regular steamship lines having pro-rating arrangements with railroads have been required by the Interstate Commerce Commission to furnish certain reports regarding their business. It would seem, therefore, that there would be no great hardship imposed upon them if they were placed entirely under the jurisdiction of the Interstate Commerce Commission, except possibly on certain routes where tramp competition is encountered. In such cases, if required to give the commission 30 days' notice of any change in rates, they would be unable to meet the schooner rates when necessary to complete a cargo. This difficulty could be obviated by giving the commission authority to allow such carriers more freedom in changing their rates than is at present allowed rail carriers. Discretionary power in regard to this matter would doubtless be more feasible than fixing a definite time limit, no matter how short.

II. Bulk Freight or Charter Rates

Bulk freight, such as iron ore, coal, lumber and grain, is usually carried by barges, sailing vessels or steamers in full vessel-loads of a single commodity. The shipper charts the whole cargo capacity of a vessel at a certain rate per ton, per bushel or other unit of measure, and the shipowner furnishes the crew and pays the expenses of operating the vessel. The various conditions agreed upon by the shipper and shipowner or agent are contained in a form of contract known as a charter party, of which there are various kinds.

The charges for carrying bulk freight are therefore known as charter rates.

Sometimes a shipper charters a vessel for a period of time at so much a month. He then operates the vessel, paying most of the expenses of operation. In this case, the monthly rental can hardly be considered a rate. Also, where a shipper operates his own vessel, there are no water rates. A considerable proportion of the total water-borne bulk freight traffic in the United States is transported in this way. The entire movement of coal on the Ohio and Mississippi River systems, for example, is handled in barges of the mining companies. Lumber is frequently carried in the vessels of lumber companies on the Atlantic and Pacific coasts, and also on the Great Lakes and numerous rivers.

Except in a very few cases the rates of bulk carriers are not published or filed with the Interstate Commerce Commission. Neither is there any classification of freight, since a cargo almost always consists of a single commodity.

A very large proportion of the traffic handled by bulk carriers is exchanged with railroads, but there are very few, if any, instances of joint rates on such shipments. The connecting railroads charge the full local rates, or, in some cases, proportional rates to or from the transfer port, and the water rates must be added in order to determine the total charge for transportation. The absence of prorating arrangements between rail and water carriers on bulk freight shipments is due, in part at least, to the fluctuating character of the water rates.

Terminal and Insurance Charges.—Bulk carriers, especially sailing vessels, are subject to a number of port charges, such as pilotage, towage in and out of the harbor, dockage, etc., which as a rule in domestic traffic are paid by the vessel out of the receipts for transportation. There are also a variety of terminal charges incident to bulk freight traffic, such as for loading and unloading and the use of wharves. Sometimes these charges are paid by the vessel, and sometimes by the shipper or consignee, according to the terms agreed upon in the charter. Usually lumber charters include the cost of loading and unloading, and grain and iron ore charters include the charge for trimming, or leveling in the hold (the principal loading charge), and also the unloading charge at the port of destination. The charges for trimming in the case of soft coal shipments on the

Atlantic coast are usually paid by the vessel, while on the Great Lakes they are paid by the shipper. The cost of unloading coal on all routes is paid by the shipper or consignee. Wharfage charges, where collected, are also, as a rule, paid by the shipper or consignee.

On shipments by bulk carriers marine insurance is always paid by the shipper in addition to the charter rates. The charges for insurance vary with the type and age of vessel, season of the year, destination, etc. They are usually much higher for sailing vessels than for steamers. Often bulk freight is not insured because of the high rates. This is especially true of river traffic.

Kinds of Charter Rates.—There are various forms of charter parties in use based upon the character of the freight handled. For example, there are forms for the transportation of lumber, coal, grain, iron ore, etc., which differ materially in their terms. From this standpoint there are several kinds of charter rates. As regards the duration of charters, however, two varieties of charter rates may be distinguished. A vessel may be chartered for a single trip, as, for example, to carry a cargo of coal from Norfolk to Boston, or a cargo of lumber from Jacksonville to New York. Or a vessel may be chartered for a longer service, such as to make a given number of trips, to carry a given quantity of traffic, or for a certain period of time, as for example, a year or a season of navigation. For convenience in discussion, the former variety of charter rates may be designated as trip charter rates, and the latter as time charter rates, using the term in a general sense. In addition to the time charters in which the charges agreed upon can be considered as rates, there are, as already stated, time charters in which the charges are in the form of monthly rentals. They are much more common in the foreign than in the domestic trade.

Trip charter rates are the most competitive of all water rates. They change from day to day, and often exhibit wide fluctuations in the course of a year. The fluctuating character of such rates is due to the fact that perfect adjustment between the supply and demand for vessel tonnage rarely ever exists. At one port there may be a surplus of vessels, while at another there is a scarcity. Fluctuations, however, are less violent in the domestic trade than in the foreign, owing to the shorter distances to be travelled. Time charter rates, by contrast, are fairly stable. Their purpose is to avoid such fluctuations in rates, as well as to assure adequate transportation facil-

ities. They are especially common where there is a regular movement of bulk freight in large quantities.

The methods of determining the two kinds of charter rates are not very different. Trip charter rates are bid, or auction rates, determined by the amount of available vessel tonnage at a given port, and the demand of shippers for such tonnage. In bargaining with vessel owners, the shipper considers the urgency of the shipment, the supply of vessel tonnage available, etc. The vessel owner, on the other hand, considers whether there is a likelihood of obtaining a more profitable cargo, what the prospects are of securing a cargo at the port of destination, what port charges and other expenses will be incurred during the trip, and a variety of other factors. The rates agreed upon are generally a matter of common knowledge among shippers and vessel interests. Sometimes they are published in trade papers or circulars. Occasionally, however, a deal is made between a shipper and a vessel-owner or agent the terms of which do not become known. Such charters are designated in trade papers as "P. T.," meaning "private terms."

Time charter rates are determined in much the same manner as trip charters, except that there are not usually as many bidders. The shipper and the shipowners bargain on the rate to be charged. The shipper is willing to pay a fair rate in order to secure adequate transportation facilities. The shipowner is guided by what he estimates his boats can earn if free to engage in all kinds of trade. As a result, time charter rates are fixed at about an average of the trip charter rates for a given period. Charter rates of this kind are less competitive than trip charter rates. They are comparable, in respect to stability, with the class and commodity rates of regular lines.

Trip Charter Rates.—On the Atlantic coast trip charter rates are frequently referred to as "open" rates, and are most common in the case of lumber and soft coal shipments. On the Great Lakes trip charter rates are known as "wild," or daily rates, and are found especially in the grain traffic. There is keen competition among the vessel interests for the transportation of these commodities, and the charter rates change from day to day. During the year 1912, for example, the range of average monthly rates on shipments of soft coal from Baltimore to Boston was from \$0.85 to \$1.50 per net ton. The highest and lowest prices were even farther apart. The rates from Hampton Roads and Philadelphia to Boston have usually

averaged about ten cents less per ton than the Baltimore rates. The range of charter rates on lumber shipments from Jacksonville to New York in 1910 was from \$5.25 to \$6.25 per 1,000 feet; in 1911, from \$4.75 to \$5.50; and in 1912 from \$6 to \$6.50. Charter rates on grain shipments on the Great Lakes in 1913 varied from 2 cents per bushel at the beginning of the season to $1\frac{1}{4}$ cents in August. Usually grain rates increase towards the close of the season of navigation. This did not happen in 1913 because of the unusual prolongation of the open season, but in 1912 the final cargoes paid from $3\frac{1}{4}$ cents to 5 cents per bushel. In 1891 occurred the widest fluctuations in grain rates that have ever been noted, the range varying from $1\frac{3}{4}$ cents to $9\frac{1}{2}$ cents per bushel. The lumber movement on the Pacific coast is also handled largely by steam schooners on trip charters. From Puget Sound ports to San Francisco the range of charter rates was from \$3.50 to \$4.75 per 1,000 feet in 1910, \$4 to \$4.50 in 1911, and \$4.50 to \$5 in 1912. The rates from other ports of origin, as well as to other ports of destination, are determined with relation to the above rates.

Time Charter Rates.—Time charters are most common in the soft coal trade on the Atlantic coast, where they usually cover a year and occasionally a longer period of time, and in the iron ore and coal trade on the Great Lakes, where they cover the season of navigation. These lake time charters are generally known as season contracts. They provide for the delivery of a certain quantity of ore or coal each month during the season of navigation.

The contract rates on iron ore are usually made early in the spring. Before the season of navigation opens the few large shipping consolidations and various vessel agencies (some of which are mine owners, as well as vessel operators) contract directly with the iron and steel companies for the delivery of a given quantity of ore each month at the rate agreed upon. These large companies and vessel agencies in turn sub-let to vessel owners such part of the business as they are unable to handle themselves, receiving a commission therefor. Some vessel owners contract up to their full capacity. The more usual practice, however, is to contract for only a portion of their vessel tonnage, reserving the remainder in order to take advantage of any increase in ore rates during the season of navigation, or to participate in the grain movement if grain rates advance, as they frequently do, in the autumn months.

Thus it appears that the great bulk of iron ore traffic is transported each season at a fixed rate agreed upon before the season of navigation opens. The fixing of this rate in the manner described is made possible by the inter-relationships and affiliations existing among the various interests. According to the report of the Committee on the Merchant Marine and Fisheries (vol. iv, p. 341) there are eight large consolidations of bulk carriers on the Great Lakes, and twenty-nine other groups of lesser importance. The eight principal consolidations are not only inter-related, but also, affiliated with the other twenty-nine groups, forming a vast community of interest, which controls a considerable proportion of the entire vessel tonnage. The Pittsburgh Steamship Company, controlled by the United States Steel Corporation, is the largest of these shipping consolidations. In dull years, such as 1911, it handles nearly half of the total iron ore tonnage of the Great Lakes, while in more prosperous years the percentage handled is less. The general impression is that through the inter-relationships and affiliations referred to above, this company exercises an important, if not a controlling influence upon the contract rates for the iron ore traffic. Although these rates have declined very markedly in recent years, owing to the improvement of channels and the increased size of vessels, the general belief is that they are fixed at a point which yields a fair return upon the investment.

There is an interesting connection between the lake rates on iron ore and those on coal and grain. Coal forms the principal return load for the ore and grain steamers. As a result, coal rates are very low in comparison with ore rates, but when added to them, are considered to give a profitable round-trip return. Coal rates to Duluth and other Lake Superior ports are lower than to Milwaukee because of the larger vessel tonnage returning in that direction. Grain from the Lake Superior ports is a direct competitor of iron ore for vessel tonnage. As a result, grain rates from Duluth are always higher than from Chicago, and exert an important influence upon the "wild" or daily rates on iron ore. If grain rates rise, the "wild" or daily rates on ore will rise also.

Anthracite Coal Rates.—The rates on shipments of anthracite coal from New York and Philadelphia to New England ports differ radically from rates usually found on bulk freight shipments. This traffic is handled almost entirely by barge lines which are controlled

by the railroads connecting with the anthracite coal mines. The several barge lines engaged in this trade charge the same rates between the same ports. For a number of years the charge has been 40 cents per ton from upper New York harbor terminals to Long Island Sound ports, and 50 cents to Boston. From lower New York harbor terminals the rate is 5 cents higher. From Port Reading, Philadelphia, to Sound ports the rate has been 65 cents per ton, and to Boston, 75 cents. The stability of these hard coal rates is comparable with the class and commodity rates of regular steamship lines. Possibly they should not be considered as rates at all, but merely as bookkeeping costs.

On January 2, 1913, the Lehigh Valley Transportation Company, which operates the Bee Line barges, filed a tariff with the Interstate Commerce Commission, showing an increase in the rates on anthracite coal to points north of Cape Cod. This is one of a very few instances where a tariff of port-to-port rates on bulk freight shipments has been filed with the commission.

Regulation of Bulk Carriers.—It has been shown that there are two quite distinct classes of bulk carriers and bulk freight rates. Thus far neither has been subject to any regulation. The rates of tramp vessels are fluctuating in character, and their business is of such a nature that any attempt at regulation would seem impossible, as well as inadvisable. Moreover, there has been little concentration of vessel interests of this type. On the other hand, the rates of bulk carriers operating on time charters are more stable, and usually relate to larger business organizations. The influence upon rates of large combinations of these bulk carriers, such as are found on the Great Lakes, and their affiliations with important mining and manufacturing interests, points to the necessity of some regulation. Possibly greater publicity in regard to their business relations and activities would prove sufficient. If not, they should be placed under the jurisdiction of the Interstate Commerce Commission just as has been proposed for regular steamship lines and their rates regulated in the interests of the public.

RELATION OF THE CONTRACTOR OR SPECULATOR TO THE WORLD'S OCEAN TRANSPORTATION PROBLEM

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The service rendered by the regular liner to the merchant shipper of general cargo is well recognized and, since much has been written on the subject elsewhere, it is necessary to refer to it only briefly in order to draw a parallel between the relations on the one hand between the liner and the shipper of cotton goods, railway material, machinery, packing-house products, steel products, and the thousand and one other commodities that go to make up the great diversified exchange of general merchandise between nations, and on the other to those that exist between the contractor and the great consumers or handlers of raw products, such as coal, ore, etc.

The shipper of general merchandise who makes his sales in a foreign country receives his orders by mail or cable for shipment sometimes many months ahead, and whether in lots of five tons or hundreds or thousands, he can go to the liner, book his freight room at a fixed price, and forget all about the arrangement until the time for shipment arrives. It is then only a matter of details which can be attended to by his clerk. But shipments of raw material, which run into millions of tons, must seek the cheapest vehicle of transportation and must rely entirely upon the workhorse of the ocean—the tramp steamship.

Here is met at once an apparently insurmountable difficulty inasmuch as the market price of tramps fluctuates constantly, and a definite knowledge of the cost of transportation is as essential to the shipper and receiver of raw material as it is to the merchant who trades in manufactured articles; in fact more so, inasmuch as the freight charge bears a larger ratio to the value of bulk cargoes than it does to manufactured articles. Nor are such shippers and receivers in the same position as the sellers and buyers of wheat, for example, which, unless carried by the liner, is traded in cargo lots and is bought and sold on the basis of the tramp market as it exists from day to day.

A concrete example is that of a miner of iron ore endeavoring to make a sale to a large steel works in another continent or country. The quantity may be a million tons a year and the contract may extend over several years. The steel works must know the exact cost of the ore, not at the mine at the other end of the world, but when delivered at the furnaces or into the stockpile at the works. A variation of a small decimal will upset the cost sheet, and as any responsible official will feelingly confirm, will result in inquiries from headquarters into the cause. Moreover, the miner is not in position to sell his output on a cost-and-freight-delivered basis. He will sell it f.o.b. at the seaboard as he can get an inland rail rate that is fixed, or perhaps he operates a short railroad from the mine to tidewater himself. But to guarantee the ocean transportation is quite beyond his power.

No tramp owner will undertake this business for reasons that will be set out fully hereafter. It would also be absolutely impossible for the steel company to undertake it. Consequently a middleman becomes an essential part of the chain and the contractor or speculator is brought into being. His requirements are that he must be a man of means who can and will carry out his bargain to the last ton if the freight market of the world goes against him. He must understand every phase of the chartering business, and from the time he bids for the contract, through every move to its ultimate conclusion, he must act with the same courage that is required of every player in any hazardous game whose presiding deity is chance.

When the speculator quotes a rate the miner and the steel works can come to terms, and can thereafter proceed to attend to the mining of ore and the making of steel with no more responsibility or worry as to how the great tonnage involved is moved than is required in putting their money into the slot and pressing a button. The worries of the contractor, however, have only just begun, and we will follow the moves which he makes to place himself in a position to fulfill his contract.

The task of moving such a volume of cargo from a given point means a steamer under the chutes every two or three days, and as vessels cannot be conjured out of thin air, the contractor must supply himself with a fleet of boats that are at all times under his control and subject to his orders. This he does by taking enough steamers

on time charter for long or short periods of time to cover a more or less substantial portion of his commitment (the number varying according to whether the shipping point is in a neighborhood where large numbers of tramps end their voyages or not), filling up the gaps with steamers taken on rate charters whose owners' plans lead them to make a voyage in the direction desired.

The working of these boats back from the point at which they deliver their ore cargoes so that they are in a position to take another, and at the same time so to space them that a regular flow of cargo can be relied on, on the one hand, and no expensive congestion of boats result on the other, is where the skill and ingenuity of the contractor are taxed to the utmost. As business begets business, other contracts are taken which dovetail into the first, and further boats must be chartered until the contractor becomes the operating owner of what would constitute an unusually large fleet of cargo boats under one management.

It may be asked why the owners of tramp steamers, or syndicates of such owners, do not undertake these contracts and thus eliminate the middleman and the profit he hopes to make. Such a practice would be contrary to the whole policy of cargo-boat owners, who hold their ships to take advantage of the events of the world—wars, political turmoils, crop successes and failures, and the like—and to be free to avoid strike areas or markets where delays occur or where a congestion of tonnage seeking business means falling freight rates or perhaps long trips in ballast. Owners, therefore, do not commit themselves to business that will take all of their fleet in one direction for a long period of time unless on a time charter basis, in which case they transfer all risks of market and delay and have a definite profit to count on. The tramp owner who should on any other basis venture to put all his eggs in one basket would incur certain criticism from his shareholders, and except in the case of a world-wide fall in charter rates, which would leave the business he took substantially above the current market, he would be unable on any plea of precedent or practice to justify his policy.

Even in such a case many pitfalls would lie in his path, as it is notorious that when business is active and general rates are high the shipper under contract clamors for the maximum that he has the right to ship, and more if he can in any way force the contractor

to supply tonnage; and vice versa when rates are down and the contract is of benefit to the carrier with tonnage easily obtainable, the contract shipper touches all the chords of sympathy in his efforts to take only the minimum or to suspend shipment altogether. This condition the speculator recognizes from long and bitter experience to be an essential part of the business, but the shipowner, accustomed to more exact and fair usages, would not respond to such treatment at all.

It is remarkable, too, that tramp owners find it so difficult to gauge the market when bidding on any unusual business, and this is especially true on a falling market. An owner will bid within a cent or two on grain or any other business for which fixtures have been recently made, but when it comes to something that is spasmodic, for instance the transportation of coals for our navy department, it is surprising to note the wide differences in individual owner's views, the bids varying more than \$2 a ton.

It is easy to see that ore business such as we have been considering, running up to hundreds of thousands of tons, could not be conducted with variations of \$2 between one cargo and the next, and while a market rate would gradually be established by which owners would be guided, the miner and the steel company prefer to let the contractor carry the responsibility of reaching a stable basis. It would seem to the uninitiated a simple matter to operate a fleet of a dozen or forty or fifty steamers on time charter, but it is in fact a most uncertain operation and many voyages that have started with the proforma calculations showing a handsome profit have been turned by bad weather, slow passages and delays in port into most disheartening losses. There is, also, always the bugbear of a long ballast voyage to get the boat into position or to fulfill a pressing commitment staring the time charter owner in the face.

It has been said that in the making of every time charter one of the parties thereto always makes a mistake, and that it is never the owner. There is much truth in that statement. Modern business demands the speculator and the latter cannot operate with safety without time charter tonnage. Thus a vicious circle is started of which the speculator is, and is destined to remain, the storm center.

Many owners feel that there ought to be no middleman, but it would be impossible for merchants to carry out their business

engagements under present competitive conditions unless they can induce a contractor who understands the chartering business to take the transportation responsibility off their shoulders. The speculator stands in the same position towards the freight market that a "short seller" does to any other market, and it is the "short," proverbially, who starts, supports and accentuates the "bull" periods when better times arrive. Moreover, it is of great benefit to the owner of a large fleet of cargo boats to be able to charter a proportion of his boats for long periods when rates are strong, in this way hedging against the future with part of his fleet while keeping the balance to take advantage of any further rise that may occur. This he can do only through the speculator. For these reasons, as well as for the more important one that the speculator creates much business with which the shipowner subsequently fills his vessels and which without his aid would never result in business at all, it would seem that such owners might afford to be more charitable in their attitude towards the constructive middleman in ocean commerce. It is clear that the speculator has his uses whenever large blocks of cargo are to be moved, and the illustration of the ore transaction may be regarded as typical of similar business in all parts of the world.

There are many other trades that require the services of a contractor for special reasons such as, for example, the large traffic in coal to, and sugar and ore from, Cuba and the other islands in the Caribbean Sea. There the merchants' requirements develop and change from day to day and they could not be served by owners far removed from the sphere of activities and imperfectly in touch with their needs; but like many other fields where the contractor is installed, the competition there is carried to excess and very low rates obtain in both directions.

The speculator who turns up occasionally as a competitor of the regular liner is of no service to anyone, being merely a disturbing element endeavoring to fill a place in which he is bound to fail because he is not there in response to any real need. In the transportation of rough material, however, he must be considered as an ally and adjunct of the tramp owner, and as such has a very definite and growing place in ocean transportation.

WATER TERMINALS IN THE UNITED STATES AND THEIR CONTROL

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The most striking feature of the water terminals of the United States is their present inadequacy and inefficiency. Examination of the many reports of harbor improvement associations and the various commissions on port development shows general agreement as to the need of more and better terminal facilities. An inspection of the water fronts of New York, Philadelphia, Boston, New Orleans, Baltimore and Seattle, and other sea and lake and river harbors discloses a surprising failure to utilize the frontage naturally available for landing cargo, piers and wharves too short or too narrow to accommodate the vessels that might come, and insufficient handling machinery. The most comprehensive study of port terminals yet made, presented in the report of the *Bureau of Corporations on Water Terminals*, in 1910, showed that the inadequacy complained of by individual ports is rather general, and tends to prevent a proper development of the water traffic which should naturally add to the commercial prestige of many an American port. The National Waterways Commission emphasized the same needs of harbor development; and the Committee on the Merchant Marine and Fisheries after extensive hearings, has urged that terminals should be made available to all water carriers on equal terms, and that federal aid for the improvement of harbors should be granted only where efficient dock facilities are so available.

There are several causes for the existing lack of proper terminals. Failure properly to organize the functions of the harbor is one cause, the commercial or "transshipping" service not being differentiated from the "industrial" service which involves both local manufacturing and shipping. In the first instance, the terminal acts as a gateway through which should flow freely the tide of incoming and outgoing merchandise; for this service, it is not necessary to occupy central wharves or congested city water frontage. Just as through rail freight is now moved *around* many of our cities by cut-offs and short

lines, so the through traffic from water to rail or rail to water should be handled on piers at some distance from the active center of the city. The second function of the port relates to prompt and easy access to water by manufacturing concerns located in the port city, in order to enable their products to move to destination with the fewest possible handlings. The local transfer of freight and passengers is an additional function which plays an important part at several of the larger harbors. In a proper scheme of harbor organization, attention should be given to these distinct needs, and city planning should include a study of how best to develop the water frontage, to serve all the interests involved.

Types of Harbors.—American seaports have either a bay harbor or a river harbor, the one type frequently merging into the other. New York, Boston, Baltimore, Galveston, San Francisco and Seattle are bay harbors; Philadelphia, New Orleans, Portland, Oregon, river harbors. Piers jutting out toward the channel characterize the former; wharves along the shore, the latter, although Philadelphia has projecting piers. The harbors of the Great Lakes consist of an outer harbor and an inner harbor, the outer harbor undeveloped for the most part, as yet; the inner harbor usually of the river type. There are also extending piers, however, at Duluth and Cleveland. River ports such as Pittsburg, Louisville, Memphis, and Cairo have sloping landings, usually paved, off which lie "wharf boats," which are floating wharf sheds, rising and falling as the height of the river varies, and connected with the paved bank by a gangway.

Lack of Coöperation between Federal and Local Authorities as to Harbor Improvement.—There has been and is still a marked lack of coöperation between local harbor authorities and the federal government. The first step in the improvement of a harbor is a survey of the channel and its dredging to a depth which enables deep-water vessels to enter the port. This is done by the national government and upon its completion the duties of that authority cease. A further task remains of seeing that proper wharves are provided at which the vessels that enter may discharge their cargo; that traveling cranes are provided for the speedy handling of such cargo; that storage sheds are furnished; that belt lines connect all piers and wharves with all railroads. These have been neglected. Except in rare instances the cities have not felt the responsibility for providing these facilities, and the government engineers have been allowed to complete their work without effort by the municipality or the state to solve the rest of

the terminal problem. San Francisco and New Orleans are exceptions, but in those cases state or city ownership and operation of the wharves have made easy that general control so necessary to carry to completion large undertakings in which many interests are involved.

Failure fully to Utilize Harbor Frontage.—At many ports only a small part of the harbor frontage is utilized for water shipping. Some of it is occupied by industries which make no adequate use of the water frontage, as at Cleveland, Buffalo, Chicago, Milwaukee and Pittsburgh. Much of it is held by railroad companies, or occupied by tracks or held unused, as at St. Louis, Chicago and Buffalo. In these instances there are not enough wharves because the available land adjacent to water is not used for the purpose to which it is best adapted. This is partly due to the fact that not until recently has the necessity appeared of utilizing all the water frontage for water traffic; partly, to the great demand in the past for land for industrial and railroad purposes.

Lack of Coördination of Rail and Water Terminal Facilities.—The failure to link rail and water traffic together is more marked at many of our river and lake ports than at those of the Atlantic coast; but at few points is there adequate coördination of rail and water terminals.

At St. Louis, Cincinnati and Louisville, for example, railroad tracks run close along the paved wharf, but no adequate system of easy transfer from river steamboat to freight car has been arranged, and interchange of traffic is difficult, except that a suggestion of what might be done, in the way of water-rail transfer, is offered by the incline of the Terminal Railroad of St. Louis, where the rails run down close to the water's edge and barge or steamboat may unload cross-ties or other heavy freight directly into the freight cars.

To tie together properly rail with water or lake or ocean traffic requires in substantially all cases a belt line railroad at each port, as well as efficient machinery for effecting transfers. At some ports such a belt line does not exist; at others, its control is such as to favor the railroads and to discourage shipments by water lines, or when controlled by a particular railroad, to discriminate against water lines not controlled by the dominant railroad. In the port of New York, the absence of a belt line, due to the unique character of the harbor and the practical difficulty in the way of providing such a line for Manhattan Island, is probably not so serious as at other ports. The partial belt line in Philadelphia is inadequate. New Orleans has a good belt railroad 20 miles long, with tracks to manufacturing plants

and warehouses, connecting all the trunk lines entering the city with all the principal river wharves and many industries. This belt line is operated by a public body, the municipal belt railroad commission, while the wharves are built and maintained by another public body, the state board of commissioners of the port of New Orleans. Such public ownership and management has been found helpful in preventing railroad control of the terminal situation. It "gives to the municipality the control over freight transfers and means equal treatment to all shippers," said the Commissioner of Corporations in the report previously referred to.

San Francisco has a publicly-owned railroad, operated by the state board of harbor commissioners, connecting with the tracks of manufacturers and trunk lines. At Buffalo there is a privately-owned belt line leased by one of the railroad companies.

Chicago has a number of belt and switching railroads, including several at South Chicago and along the Calumet River, but there is no single unified and adequate belt line system.

What can be accomplished by a thorough plan of coördinated water-and-rail terminals may be judged somewhat from the Bush Terminal in Brooklyn, where piers, switching tracks, storage sheds and manufacturing structures have all been located in the same vicinity and are operated as part of a single system. To these 1300-foot piers may come the largest ocean steamers, unload from all hatches at once, quickly receive their return cargoes and make way for other vessels. Back of the piers are warehouses, where there is ample room to store in-coming and out-going freight; close at hand are switch tracks where hundreds of freight cars may be held or switched; and behind them are manufacturing buildings, the products of which may be readily transferred to pier and vessel hold. The efficient terminal unit, for industrial purposes, is undoubtedly a combination of factory, freight tracks and pier. The Bush Terminal has been called the only modern port terminal in the United States. One or two similar developments are already being planned for the harbor of New York.

Control of Water Frontage by Railroads.—A large share of the most available water frontage of our ports is, at present, controlled by railroads. While it is essential that there should be portions of harbors occupied by railroads for tracks and switching yards, in order to make successful transshipment from water to rail, it is doubtful whether railroads should be permitted to own or control so large a share of the water frontage as they now have in some cities. Such ownership

may prevent the development, for pier purposes, of the land bordering the harbor. It may discourage water traffic by high charges for the lease of water frontage; it may afford unequal facilities to water carriers affiliated with railroads or with some particular railroad. In New York harbor, for example, below West Sixtieth street, on the Hudson River, railroads occupy more than 30 piers for freight purposes, besides those for their many ferries. All the space along the river from West 60th street to 72d street is occupied by a single railroad company. Many of the East River piers are occupied by railroads. Though the city of New York owns a large portion of the river frontage on both rivers, its system of long-term leases has resulted in a considerable degree of control by the lessees. Almost the entire active water front of Jersey City is occupied, and most of it is owned, by railroads.

A large section of the harbor fronts at Boston, Philadelphia, Baltimore and Norfolk is owned or substantially controlled by railroads. At Pittsburg, 10 miles of river frontage is similarly controlled. "Manufacturing plants, and especially railroads along the banks of the river," stated the report of the United States Chief of Engineers, as far back as 1903, "have rendered useless for general harborage purposes a large portion of the harbor" (of Pittsburg.) Much of the river port is occupied by railroad tracks and filled in steeply to the water's edge, precluding any possible use of the frontage for steamer landings. At Louisville a railroad runs for several blocks along the banks so closely to the river for part of the distance beyond the paved wharf that it would be impossible to use the shore for unloading cargoes. At Cincinnati, a railroad attempted to build its viaduct across the public wharf, in order to connect its bridge across the river with its new terminal station, and the completion of the trestle was prevented only by the united protest of the citizens of Cincinnati, that the viaduct would effectively obstruct the use of the public landing. At St. Louis, railroad tracks occupy the river front for five miles; at East St. Louis, the entire river frontage. Railroad tracks at Memphis run along the wharf for a considerable distance. At Seattle, and Portland, Oregon, railroads control or own a large share of the best harbor frontage.

In fairness to the railroads it must be said that in many cities the reason for the railroad occupying water or river shore was convenience and ease of grading rather than any intention to obstruct water front development. On the other hand it is only proper at a

time when account is being taken of the available public resources, to understand fully the extent of control by railroads, or by water lines controlled by railroads, in order to determine what should be the proper policy of our cities in the future.

Unloading Machinery.—It is not possible within the small space here available to present any adequate discussion of the loading and unloading machinery now in use at American ports. Suffice it to say that at the harbors on the Great Lakes, machinery for handling ore and coal and grain is in use and permits the transfer of bulk cargoes expeditiously. There are also good coal handling facilities at several points on the Mississippi River. The absence of mechanical conveniences for the swift and easy handling of bulk and package freight at Atlantic and Gulf ports is very marked, and particularly surprising at New York.

Terminal Charges.—The relation to traffic terminals of terminal charges, wharfage, dockage, towage, lighterage and other charges, also cannot be treated here. The topic does not lend itself readily to generalization. These charges are of many kinds and descriptions, and differ greatly at various ports. It can be said only that further scientific study is needed to determine what sort of terminal charges should be imposed and how high or how low they may be placed without discouraging the passage of goods through the ports.

Transportation a Unit; Necessity of Public Control.—As water traffic increases in volume and the need for terminal facilities becomes more urgent, it must be increasingly evident that all the elements in transportation—steam roads, electric railways and water lines—are part of one transportation whole—the unit being not railroads alone, nor water carriers only, but all together as a single system of freight and passenger transport. It is a question how far competition between rail and water lines should be depended on to provide proper rates and service. There is much discussion whether it would not be of advantage for state or city to own all water terminals, thus insuring equal treatment to all vessel or steamboat carriers. Public control is clearly necessary to prevent discriminations; whether or not public ownership will be required, remains to be seen. Unity of operation of all transportation—the coördination of rail and water transport facilities—and public control of such unified transportation, are two of the needs of the present, concerning which there is almost no difference of opinion.

Appendices

APPENDIX I

ADVANTAGES AND DISADVANTAGES OF SHIPPING CONFERENCES AND AGREEMENTS IN THE AMERICAN FOREIGN TRADE

(Reprinted from pp. 295-307 of the Report on "Steamship Agreements and Affiliations in the American Foreign and Domestic Trade," prepared by S. S. Huebner.)

ADVANTAGES OF SHIPPING CONFERENCES AND AGREEMENTS

Practically all steamship representatives who testified before the Committee, as well as a majority of the leading American exporting and importing firms who expressed their views on the subject to the Committee, contended that shipping agreements, conference relations, or oral understandings which steamship lines have effected among themselves in nearly every branch of our foreign trade are a natural evolution and are necessary if shippers are at all times to enjoy ample tonnage and efficient, frequent, and regular service at reasonable rates. Such agreements, it is contended, are a protection to both shipper and shipowner. To the shipper they insure desired stability of rates and the elimination of secret arrangements with competitors. To the shipowner they tend to secure a dependable return on the investment, thus enabling the lines to provide new facilities for the development of the trade. Furthermore such agreements are held to furnish the means for taking care of the disabilities of the weaker lines, whereas unrestricted competition, based on the survival of the fittest, tends to restrict the development of the lines and in the end must result in monopoly. Briefly outlined, the advantages secured through agreements and coöperative understandings, as presented to the Committee, are the following:

I. Improvement in service:

1. Regularity of service, resulting in the following advantages:

(a) Opportunities to merchants for shipping are increased, resulting in a much greater increase in the volume of trade, especially to new or remote markets, than would be the case if goods could be supplied only at irregular intervals.

(b) Fixed dates of sailings at regular intervals enable shippers to work with smaller stocks than they otherwise could, thus reducing unnecessary risks, as well as storage charges.

(c) Makes unnecessary the engaging of cargo space considerably in advance, and shippers incur no penalty or other inconvenience if unable or unwilling to ship goods at the last moment.

(d) Merchants are enabled to make forward contracts for the delivery of goods at a definite date. This factor is important in connection with sta-

bility and uniformity of rates. In view of both factors merchants can make contracts for forward delivery at a definite date and price, including cost, freight, and insurance. Such contracts are of vital importance in the trade of today, which is largely conducted in large quantities and on the basis of orders placed months ahead and calculated on a small margin of profit.

(e) Without regularity of service in the long-distance voyages, or in the new and undeveloped services, American merchants and manufacturers would be operating at a great disadvantage as compared with European merchants, who now have the benefit of a more highly developed service from European ports to foreign markets.

(f) A better distribution of sailings is secured. Under unrestricted competition a number of vessels may sail from the same port within a day or week, resulting in no sailings from that port for a considerable period thereafter. Under a system of coöperation, however, both the time and ports of sailings are agreed upon, thus "avoiding the waste involved in several ships calling at ports which require only one and giving an excess tonnage on one date and a corresponding lack of tonnage at other times."

(g) A large portion of American exports coming from the interior, it follows that, with regular sailings, goods arriving late and missing one steamer may be dispatched by the next steamer of another line, thus causing only a short period of waiting, with the result that unnecessary port charges are avoided, the accumulation of goods is prevented, and the loading and delivery of cargo are facilitated.

2. *Greater security is given to capital invested in the steamship business* and because of this greater security shipowners are enabled to supply an adequate number of vessels of a higher class and greater speed than the ordinary tramp. Moreover, conditions surrounding most trades are dissimilar as regard the depth of water at the ports, the nature of the cargo offered, and the quantity of freight moving during certain seasons. By giving vessel owners a dependable return on the investment they are enabled to provide new facilities for the development of the trade and adequately to adapt the sailings, speed, and equipment to the particular trade. To many merchants the adaptability of the service to the requirements of the trade is highly essential, because of the nature of their exports and imports. The benefits claimed for this advantage are the following:

(a) Cargo is delivered in better order and with greater dispatch and regularity.

(b) Insurance premiums on cargo are reduced, and the rate of insurance may be counted upon as more uniform and stable, thus again favoring merchants in making contracts for the forward delivery of goods.

(c) Loss of interest on the cargo while in transit is reduced.

(d) Shippers are relieved of anxiety as to the class of vessel by which their freight will be shipped.

II. *Stability of rates over long periods of time:*

1. Removes the inconvenience which would exist if merchants and shippers were obliged to quote different propositions on nearly every consignment, thus eliminating what was formerly an undesirable speculative risk

under the open competitive system. A uniform selling price in foreign markets is considered highly essential by merchants. Moreover, conference lines seek to give reasonable notice of alteration in rates, and when increasing their rates shippers are allowed to declare outstanding contracts at the lower rate.

2. Reduces the complaints from buyers abroad. American exporters assert that during periods of rate competition complaints from foreign buyers are numerous if sales to them do not happen to be on the lowest basis of cost and freight, while if there is uniformity in rates, even though these rates be on a higher level, it is seldom that foreign consignees make complaints.

3. Enables shippers and merchants to calculate laid-down costs and sell goods for delivery in the future. American exporters assert that such contracts for future delivery are today a necessity, and in this respect nothing is regarded so detrimental to the export trade as uncertainty regarding sailings and violent fluctuations in freight rates. Fixed rates under a system of coöperation, on the contrary, make possible the contracting for space for months, for a year, or even longer in advance, if desired. Such facilities are enjoyed by foreign exporters to competitive markets, and it is essential that American shippers should be placed on an equally favorable basis. Prominent exporting firms have again and again asserted to the Committee that they have experienced various rate wars during the past 10 to 15 years and are convinced that the present condition of fixed rates and regular sailing opportunities place all merchants upon the same basis as regards their estimates on contracts and produce much better results for the exporter and manufacturer than could be possible under the old order of things,

4. During periods of rate cutting buyers abroad generally pursue a policy of buying from hand to mouth instead of placing large orders for shipments ahead, because they never know what the goods will cost them by the time the same are received. If they foresee serious fluctuations in rates during the one or more months which are required to dispose of large lots of merchandise, they prefer to buy small lots, even at a greater cost, in order to have a chance to meet their competitors.

5. During periods of rate cutting steamship owners are reluctant to make forward contracts for the carriage of freight because of unwillingness to sell cargo space for the future at a loss.

6. While competition in rates between conference lines ceases, competition in facilities continues. Although the conference system largely results in placing rates outside the influence of competition, by pursuing a policy of charging "what the traffic will bear," these rates must ultimately be reasonable for the following reasons:

(a) It is to the interest of the lines not to charge rates detrimental to the development of traffic. Shipowners depend for success on the good will of shippers, and to build up business must establish rates which will enable their American clients to compete successfully with foreign merchants engaged in the same trade.

(b) Shippers are not placed at the mercy of the conference lines, because in nearly all the important branches of the American foreign trade there is competition from regular lines serving European merchants to the

same ports. The lines serving American merchants must meet the rates of the regular lines trading to the same ports from foreign countries. In other words, world conditions govern ocean rates to and from the United States.

(c) If the rates of the regular lines, to quote the New York committee, "should exceed or even approximate the chartered rate for tramp steamers, large shippers immediately protect themselves by the employment of tramps for the transportation of their shipments. Small individual shippers who can not accumulate merchandise in quantities sufficient to justify the charter of tramp steamers are at such times served by charter brokers, who are always ready, when rates by the regular lines advance to such a point that a profit can be made by charter, to lay chartered ships on the berth, themselves accumulating the shipments of numbers of small merchants, who by this means can always protect themselves against oppression." (Vol. 2, p. 1363.)

Despite the great increase in ocean rates in recent years the great majority of leading exporting and importing houses which have expressed their views on the subject to the Committee consider the present rates charged by the steamship lines as fairly reasonable when compared with charter rates prevailing the world over, and taking into consideration the capital invested, the increased cost of operation, the better character and greater speed of the vessels, the greater regularity of sailings, the maintenance of depreciation and sinking funds, the facilities of the ports of call, and the frequent absence of return cargo. While many of the firms express a desire for a lower level of rates than exists to-day, provided they are uniform, they frankly admit that the present high rates, as long as they are steady over considerable periods of time and equally applicable to all without rebates or other special favors, do not militate against them nearly so much as would a lower level of rates if the same was a fluctuating one and was accompanied by irregularity in sailings. Moreover, the large increase in the number of steamers and in their size during the past 15 years in nearly all divisions of our foreign trade is pointed to as showing the desire of the lines to keep pace with the growth of the country's export trade. It was also the general assertion that the regular lines give shippers advantages as contrasted with tramp steamers. Not only are their rates uniform and their sailings reasonably regular, but their steamers are faster and their service better, and in the main these advantages overbalance the increase in rates.

III. Uniform freight rates secured to all merchants.—Uniform rates protect the small against the large shippers, and relieve all shippers from the effects of underhanded discrimination. Under open competition powerful shippers, or combinations of shippers, can obtain preferential rates, while under a system of coöperation it is not to the interest of the conference to give special terms to powerful clients. Rate wars are detrimental to the interests of small shippers because the object in every rate war is to obtain the freight of large shippers by offering special rates. The inevitable result of rate wars is a gradual monopolization of the trade in given commodities by the more powerful shippers.

Almost without exception, the testimony before the Committee of conference line representatives shows that it is the purpose of their lines to charge

uniform rates and to extend equal opportunities to all shippers. Practically all shippers, also, who in their statements to the Committee were favorable to agreements and conferences, took the view that to maintain equal treatment toward small and large shippers it is absolutely necessary that steamship lines should be allowed to coöperate, and that the improvement toward greater fairness between shippers is due to the fact that the lines have coöperated. Competition in the steamship business was regarded by them as the demoralization rather than the life of trade; as the means of introducing uncertainty instead of certainty, and inefficiency instead of efficiency; and that, inevitably, while all shippers are placed ultimately at a disadvantage through open competition, the small shipper fares much worse than his stronger competitor.

IV. Prevent the elimination of weaker lines in the various trades.—Unrestricted competition, based on the survival of the fittest, tends to restrict the development of the lines and in the end results in monopoly. Just as rate wars result in the monopolization of trade by the larger shippers, so also do they result in the monopolization of the carrying trade by one or a few of the most powerful carriers. This is especially true in the long-voyage trade where pooling becomes desirable. Here equal rates can not be charged by all the lines in a given trade unless all are equal in speed and equipment. High-class freight, paying the most remunerative rates, would go to the best ships, while the least remunerative cargo would be shipped by the inferior boats. As reported by the New York Committee of steamship representatives: "By means of pooling the weaker line is compensated for its failure to obtain a fair share of the more remunerative goods and by living alongside the strong line adds to the total of the shipping facilities which the trade may reasonably require." (Vol. 2, p. 1368.)

In addition to the combinations by agreement there are numerous instances of consolidations among steamship lines by actual amalgamation or through stock control of subsidiaries. (The most notable examples of such consolidations are the International Mercantile Marine Co., the Royal Mail Steam Packet Co., the Hamburg-American Lines, and Furness, Withy & Co.). This movement toward actual consolidation by ownership, various witnesses have emphasized, would have taken place more rapidly and on a much larger scale if the making of steamship agreements and conferences had been impossible. In the absence of coöperation through written or oral agreements, according to these witnesses, only two alternatives present themselves, viz., consolidation by actual ownership or the elimination of the weaker lines through cut-throat competition.

V. Maintenance of rates from the United States to foreign markets on a parity with those from other countries, thus enabling American merchants to compete successfully with foreign merchants. It has been the contention of all the conference line representatives who have appeared before the Committee that their lines make every effort to keep American rates to foreign markets on a parity with European rates. The Committee has received only 27 complaints from exporting interests charging that American and European rates to the same destination are not kept on a parity, to the detriment of their business; and it should be noted that less than half of these complaints

present any definite data tending to confirm the complainant's charge. A majority of the complaints are general in character and merely call attention to the desirability of having some properly constituted authority investigate this subject from time to time. In answer to these charges the New York Committee of steamship line representatives maintains that—

while occasional differences arise, as a rule shippers are not charged higher rates from this country than shippers in Europe are called upon to pay on the same commodity. In this respect the lines running from ports of the United States are at a decided disadvantage compared with the European services, because the classes of cargo offered from American ports are of lower grade than those received by the European lines. A ship sailing from Europe will obtain better freight earnings because it carries a larger percentage of high-class cargo, while the expenses incurred in United States ports are always considerably higher than those of a vessel loaded at European ports. Besides, many of the lines running from this country to foreign ports, unlike the European lines, obtain no return cargoes, and are obliged to return to our ports either directly in ballast, or via some other loading port. These facts tend to increase the running expenses of the American services and would therefore justify a somewhat higher freight rate from American ports.

VI. Reduction in the cost of service, eventually resulting in lower freight rates for a high standard of service.

1. By eliminating wasteful competition among the lines, thus reducing the aggregate cost of service of all the lines.

2. By arranging the order of the sailings of the several lines at definite dates, and by regulating the sailings of the vessels of the various lines in such a manner as to prevent a number of vessels calling at ports which require only one at a given date.

VII. Cost of service can be more economically distributed over the traffic so as to develop the trade.

1. By reducing rates on articles where the rate would bear too heavily, and securing compensation on other items where the value and size justify the same.

2. By enabling the lines to view the trade "not only as it is, but as it may become." Certain ports may be placed on a reasonable footing in freight rates, although the present movement of freight would warrant much higher rates. This is especially true where pooling is practiced. "In connection with the operation of a steamship conference," as reported by the New York Committee,

pooling is nothing more than an equalization of expenses and earnings by the component members of a conference with the object that the conference shall furnish all the facilities that are demanded for the transportation both of profitable and unprofitable cargo and for the accommodation of the least profitable as well as the most profitable ports. Under its operations regu-

larity of service is maintained, whether full cargoes are offered or not, whether the cargoes offered at any particular time be of a more or a less profitable kind, and whether the going rates as embodied in the tariff be profitable as compared with the general market value of tonnage or not; it enables the conferees to give service within the area of the conference operations at small or unimportant ports, often at a loss, which would have to be neglected unless such loss could be equalized by being brought into a division of the earnings with the other vessels which serve the more important ports. The conferences, in substance and effect, become partners for the purpose of supplying tonnage for the particular trade in which the pool operates, and they divide their earnings and losses in proportion to the capital represented by tonnage which is furnished to supply the needs of the trade. (Vol. 2, pp. 1367-1368.)

3. By increasing the number of sailings to the smaller ports. On most routes there are many ports of destination which should be served, and no one owner could serve all except at great expense, such as extra steaming and port charges, and by greatly prolonging the voyage to the dissatisfaction of consignees. The natural tendency where all lines are competing would be for each owner, in order to compete in rates and speed, to avoid extra expenses and loss of time by not calling at the comparatively unimportant ports. Without pooling, it is asserted, the United States would have no direct communication to-day with many of the minor ports throughout the world whose aggregate trade with this country is very considerable. If the pooled lines, however, have agreed to compensate each other for the losses, these undesirable ports will be served as may be reasonably required.

4. By equalizing the earnings on large contracts over the members of a joint service. As expressed by the New York Committee,

Our large manufacturers and exporters have extensive outstanding contracts for the supply of rails, locomotives, car material, bridge work, oil, etc., to various ports. No one service alone could possibly handle such products. Shippers are often obliged at stated periods to make large shipments of a kind of material which would be quite unsuitable for a steamer, such as rails, on which the earnings would be much below those of succeeding steamers which would carry other portions of construction material covered by the same contract, the rates for which would be far more remunerative. Only a joint service which could equalize the earnings under the whole contract would carry the materials covered by these large contracts without charging freight rates so prohibitive as to deprive the American manufacturer of the opportunity of securing the contracts in competition with foreign manufacturers. So the conference lines are able to maintain their schedules and provide for the export trade even at a loss to the individual ship. (Vol. 2, pp. 1368-1369.)

DISADVANTAGES OF SHIPPING CONFERENCES AND AGREEMENTS, AS NOW CONDUCTED

1. The monopolistic nature of such conferences and agreements.—Nearly all the objections advanced against steamship agreements relate to the limited monopoly, at least, which the conference lines are able to exercise over the trade in their respective areas. Briefly outlined the objections advanced under this heading are the following:

1. All monopolies are liable to abuse, and in our foreign carrying trade the monopoly obtained by the conference lines has not been subjected to any legal control. While carriers by land are supervised and must conform to statutory requirements in the matter of rates and treatments of shippers, steamship companies, through private arrangements, have secured for themselves monopolistic powers as effective in many instances as though they were statutory. Even granting the advantages claimed for steamship conferences and agreements, all may be withdrawn in the absence of supervisory control without the shippers having any redress or protection. The lines are under no legal obligation to continue these advantages. They exercise their powers as private combinations and are apt to abuse the same unless brought under effective governmental control.

2. The primary object of such conferences and agreements is to prevent new lines from being organized in a trade and to crush existing lines which refuse to comply with the conditions prescribed by the combination, or which, for other reasons, are not acceptable as members of the conference. The methods which have been adopted from time to time to eliminate competition show the futility of a weak line attempting to enter a trade in opposition to the combined power of the established lines when united by agreement. By resorting to the use of the "fighting ship," or to unlimited rate cutting, the conference lines soon exhaust the resources of their antagonists. By distributing the loss resulting from the rate war over the several members of the conference, each constituent line suffers proportionately a much smaller loss than the one line which is fighting the entire group. Moreover, the federated lines can conduct the competitive struggle with the comfortable assurance that, following the retirement of the competing line, they are in a position to reimburse themselves through an increase in rates. To allow conferences, therefore, generally means giving the trade to the lines now enjoying it. Only a powerful line can hope to fight its way into the trade, and with the inevitable result, if successful, that it will join the combination or be allowed to exist by virtue of some rate understanding.

3. Conference lines, it was asserted to the Committee, are enabled to arrange rates arbitrarily, both with reference to the general level and particular commodities; and the rates now charged were considered excessive when compared with rates (1) charged by tramp or chartered steamers, or (2) previously charged by line steamers in the same trade, or (3) charged by lines in other trades, or (4) when considered in relation to the profits of the companies. This complaint, however, necessitates the difficult task of determining what constitutes a "reasonable rate," involving a study of—

(a) The factors that influence the rise and fall of the general level of rates.

(b) The differences in the nature of the service rendered by liners and tramps.

(c) The character of the vessel and the expensiveness of operating the same.

(d) The stability of rates over a long period of time, chartered rates fluctuating much more violently.

(e) The different conditions surrounding each trade route as regards the nature of the service, the quantity of the cargo, and the opportunity for effecting combination cargoes.

(f) What constitutes a fair profit to the line, all factors considered.

4. Conference lines, through their monopolistic powers, so completely dominate the shippers with whom they deal that these shippers can not afford, for fear of retaliation, to place themselves in a position of active antagonism to the lines by openly giving particulars of their grievances. This condition is well illustrated by the frequency with which communications, addressed to the Committee, referred to the confidential nature of the information furnished. The various lines, constituting a conference, have the same interests and their organization is effective. Shippers, on the contrary, live far apart, and because of their different and frequently antagonistic interests can combine for mutual protection only with the greatest difficulty.

5. Conference lines, in view of the absence of competing lines, sometimes seem indifferent to the landing of freight in proper condition. A considerable number of shippers have complained to the Committee that they have experienced endless difficulty in collecting honest claims for damaged goods, loss of goods, or overcharges, and that the lines in some cases are extremely arbitrary in making settlements.

6. Conference lines are apt to become increasingly powerful within their respective areas, even to the extent of controlling the tramp traffic, until their limited monopoly of to-day will become practically unrestricted. It is argued that this tendency has been apparent in various trades and that, when the monopoly is complete, the lines will appropriate the advantages gained to themselves.

II. In some conferences the lines have arbitrarily increased their rates without giving due notice to the trade, thus causing heavy losses on contracts for future delivery, which were based on the freight rates prevailing at the time the contracts were made.

III. Steamship conferences and agreements as now conducted are in most instances secret, and shippers have no means of knowing whether the conditions claimed by the lines for such conferences and agreements are true or not. Conference and rate agreements, and pooling arrangements, should be made with the full knowledge of some legally constituted authority in order (1) to safeguard the interests of shippers and (2) to make it possible for shippers to file complaints without fear of retaliation.

IV. Some lines grant special rates to large shippers under contracts based on such large quantities of freight that small shippers can not possibly furnish

an equal amount, thus discriminating between shippers and preventing competition.

V. Some of the conference lines do not observe the customary conference usages in respect to the equal treatment of shippers in rates and special accommodations.

VI. The policy of many conference lines not to publish their tariffs or classifications, although such publication would prove a great convenience to shippers and would constitute a guarantee that rates were not altered or articles transferred from one class to another, for the benefit of favored shippers.

VII. That deferred rebate systems are objectionable and should be prohibited for the following reasons:

(1) By deferring the payment of the rebate until three or six months following the period to which the rebate applies ship owners effectively tie the merchants to a group of lines for successive periods. In this connection it is argued that the ordinary contract system does not place the shipper in the position of continual dependence that results from the deferred rebate system.

(2) That the system is unnecessary to secure excellence and regularity of service, a considerable number of conferences being operated to-day without this feature.

APPENDIX II

METHODS OF CONTROLLING COMPETITION BETWEEN DOMESTIC CARRIERS BY WATER

(Reprinted from pp. 400-412 of the Report on "Steamship Agreements and Affiliations in the American Foreign and Domestic Trade.")

METHODS OF CONTROL SUMMARIZED

The numerous methods of controlling competition between carriers by water in the domestic trade, referred to in the preceding pages, may be grouped under three headings, viz., (1) control through the acquisition of water lines or the ownership of accessories to the lines; (2) control through agreements or understandings; and (3) control through special practices. Briefly summarized, the various methods adopted for the control of competition are the following:

I. Control through the acquisition of water lines or the ownership of accessories to the lines:

(1) Direct railroad ownership and operation of water lines, the railroad's marine interests not being incorporated separately.

(2) Railroad ownership through subsidiaries, or subsidiaries of subsidiaries, either rail or water.

(3) Control by lease, especially in the case of canals.

(4) Ownership of boat lines by other boat lines, or by holding companies.

(5) Joint control of a water line by several railroads.

(6) Control of one water carrier over another, or of a railroad over a water line, indicated by one or more officers in common or by common representation on the board of directors.

(7) Control indicated by a community of interest through influential stockholders.

(8) Railroad control of competing water lines or canals through the ownership or control of forwarding companies, thus diverting traffic to their own rail or water lines by refusing to exchange through freight with independent water lines. The latter are thus forced to depend upon local business, which is too limited to maintain the efficiency of the line.

(9) Railroad or steamship company ownership of exclusive terminal facilities.

(10) Ownership or control of bulk carriers by producing and trading companies, which, while controlling a large portion of the traffic in a given commodity, also act as common carriers. These companies may also charter boats of independent lines on such favorable terms as to induce such lines to observe a certain policy in the fixing and maintenance of rates.

II. *Control through agreements or understandings:*

(11) Through agreements between water lines to divide the territory or charge certain rates. Unlike the practice in the foreign trade, such agreements are few in the domestic trade, the desired elimination of objectionable competition being effected through any one or more of the other methods.

(12) Through traffic associations, participated in by railroads and water lines, which publish tariffs but do not definitely bind the lines, i.e., there is no express agreement to observe the rates. While the water lines are emphatic in reporting that their affiliation with existing tariff associations or conferences is simply for the purpose of discussion and interchange of information and opinions on matters of mutual interest, and that their rights of separate and independent action are in no way restricted, the testimony shows that the rates and divisions of rates are determined at these conferences in such a manner as to cause no discrimination against any of the members and to place the rate divisions for all lines via one gateway on the same basis.

(13) By requiring the unanimous consent of the existing members in certain traffic associations or conferences before admission can be secured by an outside line. Not to be granted membership in such associations places the outside line at the disadvantage of publishing tariffs at its own expense and of not being able to enjoy the same through rail-and-water rates as the conference lines.

(14) Agreements or understandings not to charter or sell vessels to certain lines or for certain trades.

III. *Control through special practices:*

(15) A railroad obtains control of a water line or canal and (1) fails to maintain the efficiency of the same, thus making water transportation so expensive as to eliminate competition, or (2) fixes rates so high as to preclude its use or (3) abandons the property.

(16) A railroad charters space from a competing water line, although not using it, thus depriving shippers of space and making them dissatisfied with the water-line service.

(17) A railroad or its controlled water line or terminal company holds all the available docks and shedded piers and refuses access to an independent line for the purpose of discharging and receiving cargo, or allows access only upon payment of unreasonable charges. The independent line is thus required to unload at some other dock and team the goods to and from the railroad station.

(18) A railroad or its controlled water line owns the available water frontage which it refuses to utilize, at the same time refusing to release the same by sale or otherwise.

(19) A railway-water line or large all-water line cuts rates unduly (either by putting "fighting ships" in the trade or by having its regular boats quote unremunerative rates) and when competition has been destroyed advances the rates even higher than they had been originally. While cutting rates the large company recoups itself out of rates at noncompetitive points or on through business secured from railroads on a favorable basis.

(20) Railroads manipulate rates so as to make the differential between their all-water, all-rail, and rail-water routes ineffectual as far as water transportation is concerned. The only inducement to use the water route is economy, and if the differential between the rail and water rates is made such as to just counterbalance the disadvantages of the water route the railroads will secure the business because, all things considered, their service is preferred.

(21) Water lines make contracts with shippers whereby rebates or special rates are granted if the shipper transports his entire product by a given line. Such contracts with important shippers greatly handicap independent lines in getting sufficient freight, especially if the contracting line spreads the report that the independent line will be allowed to remain in business only a short time. The important shippers, their business once obtained, can be held in line or disciplined.

(22) Large established water lines bring influence to bear on marine insurance underwriters whereby the independent line can secure only a less favorable rate, having due regard for the class of vessel, than its large and well-established competitors, thus forcing the independent carrier to equalize the extra cost of insurance in its rates to shippers.

(23) Railroads or steamship combinations can allow competing lines a certain amount of freight with the implied knowledge on the part of the competing line that the railway or steamship combination possesses the power to withdraw this allotted freight if the competing line shows aggressiveness or is unwilling to conform to the line of conduct desired. Often valuable season contracts are made with independent water lines, which these lines do not wish to lose by competing for freight.

(24) Railroads may divert bulk traffic from watercourses by granting special commodity rates "in transit," such as "millling in transit" and "compressing in transit."

(25) Railroads can give access to docks to preferred water lines with

which they have special arrangements, thus forcing shippers by other water lines to pay a series of charges for switching, docking, and unloading, and putting them to much inconvenience. In effect it means that the shipper who wishes the proper service must use the water line preferred by the railroad.

(26) Railroads may refuse to issue through bills of lading except to favored lines, thus preventing independent lines from obtaining transfer traffic. To deprive an independent line of the advantages accruing from a joint rate arrangement with railroads places the line in a defenseless position as compared with competing lines not thus handicapped. Without such an arrangement the independent line can not secure interior freight and is limited largely to port-to-port traffic, which is too small in volume to support the line. On the other hand, the water line having the prorating arrangement can cut rates to an unremunerative basis on the port-to-port traffic, thereby eliminating its less fortunate competitor, and recoup its losses in large measure out of the profits secured on the through business.

(27) Railroads charge more for the local haul from Buffalo to seaboard points, for example, on grain that is taken to Buffalo by boat than the proportionate share of the all-rail haul from Chicago to the seaboard, thus making the through rail-water route unprofitable as compared with the all-rail route. The local rate for the eastern rail haul is so high as to leave little to the independent water carrier for its local lake haul.

(28) Railroads can greatly reduce rates between those points only where they are competing with an independent water carrier. Since most of the traffic of a large railroad system is free from water competition, it can afford to lower the rates on the competitive traffic to an unremunerative basis without appreciably affecting the earnings of its entire system.

APPENDIX III

RECOMMENDATIONS OF THE COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(Reprinted from pp. 415-424 of Volume IV of the "Proceedings of the Committee on the Merchant Marine and Fisheries in the Investigation of Shipping Combinations, under House Resolution 587.")

RECOMMENDATIONS RELATING TO CARRIERS BY WATER ENGAGED IN THE FOREIGN TRADE

The facts contained in the foregoing report show that it is the almost universal practice for steamship lines engaging in the American foreign trade to operate, both on the in-bound and out-bound voyages, under the terms of written agreements, conference arrangements or gentlemen's understandings, which have for their principal purpose the regulation of competition through either (1) the fixing or regulation of rates, (2) the apportionment of traffic

by allotting the ports of sailing, restricting the number of sailings, or limiting the volume of freight which certain lines may carry, (3) the pooling of earnings from all or a portion of the traffic, or (4) meeting the competition of non-conference lines. Eighty such agreements or understandings, involving practically all the regular steamship lines operating on nearly every American foreign trade route, are described in the foregoing report. (For a full classification of these agreements see pp. 281 to 295 of the report.) The report also presents the economic advantages and disadvantages of steamship agreements and conference arrangements as presented to the Committee by steamship line representatives and the exporting and importing interests of the United States. (For a full classification of the advantages and disadvantages see pp. 295 to 307 of the foregoing report.)

In formulating its recommendations it became apparent to the Committee, in view of all the facts presented, that only two courses of action were open for adoption. Either the agreements and understandings, now so universally used, may be prohibited with a view to attempting the restoration of unrestricted competition, or the same may be recognized along lines which would eliminate existing disadvantages and abuses. It is claimed that the adoption of the first course—the prohibition of coöperative arrangements between practically all the lines in nearly all the divisions of our foreign trade—would not only involve a wholesale disturbance of existing conditions in the shipping business but would deprive American exporters and importers of the advantages claimed as resulting from agreements and conferences if honestly and fairly conducted, such as greater regularity and frequency of service, stability and uniformity of rates, economy in the cost of service, better distribution of sailings, maintenance of American and European rates to foreign markets on a parity, and equal treatment of shippers through the elimination of secret arrangements and underhanded methods of discrimination. (A classification of the advantages claimed as resulting from the aforementioned factors is presented on pp. 295 to 303 of the foregoing report.)

These advantages, the Committee believes, can be secured only by permitting the several lines in any given trade to coöperate through some form of rate and pooling arrangement under government supervision and control. It is the view of the Committee that open competition can not be assured for any length of time by ordering existing agreements terminated. The entire history of steamship agreements shows that in ocean commerce there is no happy medium between war and peace when several lines engage in the same trade. Most of the numerous agreements and conference arrangements discussed in the foregoing report were the outcome of rate wars, and represent a truce between the contending lines. To terminate existing agreements would necessarily bring about one of two results; the lines would either engage in rate wars which would mean the elimination of the weak and the survival of the strong, or, to avoid a costly struggle, they would consolidate through common ownership. Neither result can be prevented by legislation, and either would mean a monopoly fully as effective, and it is believed more so, than can exist by virtue of an agreement. Moreover, steamship agreements and conferences are not confined to the lines engaging in the foreign trade of

the United States. They are as universally used in the foreign trade of other countries as in our own. The merchants of these countries now enjoy the foregoing advantages of coöperative arrangements, and to restore open and cut-throat competition among the lines serving the United States would place American exporters at a disadvantage in many markets as compared with their foreign competitors.

Steamship line representatives, as well as the patrons of the lines, were almost a unit in emphasizing to the Committee the importance and necessity of the aforementioned advantages of agreements and conferences, and in asserting that these advantages can only be effected by permitting the several lines in a given trade to coöperate in the regulation of their rates and the expeditious handling of their business. Very few of the many exporters and importers, who communicated with the Committee, were opposed to agreements and conferences in themselves, provided they are fairly and honestly conducted. Many, however, objected to the secrecy with which agreements and conferences are now conducted; and stated that, while the advantages must be admitted, they have no assurance and no means of knowing whether the conditions claimed for agreements and conferences are always fulfilled. A considerable number of complaints were also filed with the Committee objecting to excessive rates, discrimination between shippers in rates and cargo space, indifference to the landing of freight in proper condition, arbitrariness in the settlement of just claims, failure to give due notice to shippers when rates were to be increased, refusal to properly adjust rates as between various classes of commodities, and the unfairness of certain methods—such as fighting ships, deferred rebates, and threats to refuse shipping accommodations—used by some conference lines to meet the competition of nonconference lines. Unfortunately the truth of many of these complaints could not be ascertained because of the confidential nature of the information furnished. As pointed out in the report (p. 306), it seemed to be the general impression among shippers who filed complaints with the Committee that the conference lines—

so completely dominate the shippers with whom they deal that these shippers can not afford, for fear of retaliation, to place themselves in a position of active antagonism to the lines by openly giving particulars of their grievances.

While admitting their many advantages, the Committee is not disposed to recognize steamship agreements and conferences, unless the same are brought under some form of effective government supervision. To permit such agreements without government supervision would mean giving the parties thereto unrestricted right of action. Abuses exist, and the numerous complaints received by the Committee show that they must be recognized. In nearly all the trade routes to and from the United States the conference lines have virtually a monopoly of the line service.

All monopolies—

As pointed out in the foregoing report (p. 304)—

are liable to abuse, and in our foreign carrying trade the monopoly obtained by the conference lines has not been subjected to

any legal control. While carriers by land are supervised and must conform to statutory requirements in the matter of rates and treatment of shippers, steamship companies, through private arrangements, have secured for themselves monopolistic powers as effective in many instances as though they were statutory. Even granting the advantages claimed for steamship conferences and agreements, all may be withdrawn in the absence of supervisory control without the shippers having any redress or protection. The lines are under no legal obligation to continue these advantages. They exercise their powers as private combinations and are apt to abuse the same unless brought under effective government control.

The Committee believes that the disadvantages and abuses connected with steamship agreements and conferences as now conducted are inherent, and can only be eliminated by effective government control; and it is such control that the Committee recommends as the means of preserving to American exporters and importers the advantages enumerated, and of preventing the abuses complained of.

The consensus of opinion (see pp. 307 to 308 of the Report)—

As expressed in the testimony of witnesses and in the numerous communications received by the Committee from shippers—

is overwhelmingly in favor of some form of government regulation of steamship carriers engaged in this country's foreign trade. Nearly all the steamship line representatives, who appeared before the Committee, expressed themselves as not opposed to government supervision which is reasonable and which is limited to the requirements of full publicity and approval of all agreements or arrangements which steamship lines may have entered into with other steamship lines, with shippers, or with other carriers and transportation agencies. On the other hand, the shippers who appeared as witnesses, or otherwise submitted recommendations for proposed legislation, were in the great majority of instances favorable to a comprehensive system of government supervision, sufficiently broad to embrace the regulation of rates without actually fixing them, the approval of contracts, agreements and arrangements, and the general supervision of all conditions of water transportation which vitally affect the interests of shippers. While few of the shippers who communicated with the Committee by letter (and the same may be said of witnesses) attempted to specify the details of their recommendations, they are almost a unit in stating that they are convinced of the desirability of having the Interstate Commerce Commission, or a similar commission, exercise a general supervisory power over foreign water carriers and enforce among the conference lines at all times the various contentions which they have claimed for themselves during the hearings before the Committee. It is noteworthy that only five of the many communications received

by the Committee, which were unfavorable to steamship agreements and conferences as now conducted, display an attitude of hostility toward government regulation. In fact, many of the communications received from shippers make it clear that the writers regard the contentions of the conference line representatives as advantageous to shipper and shipowner if they are honestly and fairly carried out, but state that their experience has been to the effect that, once the combination of lines is established, it is apt to be used in an arbitrary and unfair way by favoring some large corporation or friend to the detriment of other shippers. Such discriminations and arbitrary treatment, it is believed, can only be eliminated by the establishment of some legally constituted authority which is empowered to hear complaints and to order the discontinuance of abuses.

Relative to such supervisory control by the government of steamship carriers in the foreign trade of the United States, the Committee offers the following recommendations:

(1) That navigation companies, firms or lines engaged in the foreign trade of the United States be brought under the supervision of the Interstate Commerce Commission as regards the regulation of rates, the approval of contracts entered into with other water carriers, with shippers, or with American railroads and other transportation agencies, and such other conditions of water transportation as affect the interests of shippers. The Committee has had under consideration the recommendation of a separate Commission for this purpose, but believes that, in view of the close relations existing between rail and water transportation, it would be best to entrust the supervisory control to the Interstate Commerce Commission. If found necessary, in view of the added duties involved in the extension of the Interstate Commerce Commission's jurisdiction to water transportation in accordance with the recommendations to follow, the Committee further recommends that the membership of the Commission be enlarged.

(2) That all carriers engaged in the foreign trade of the United States, parties to any agreements, understandings, or conference arrangements hereinafter referred to, be required to file for approval with the Interstate Commerce Commission a copy of all written agreements (or a complete memorandum if the understanding or agreement is oral) entered into (1) with any other steamship companies, firms, or lines engaged directly or indirectly in the American trade, or (2) with American shippers, railroads or other transportation agencies. All modifications and cancellations of such agreements or understandings as may be made from time to time should also be promptly filed. The Commission should be empowered to order canceled any such agreements, or any parts thereof, that it may find to be discriminating or unfair in character, or detrimental to the commercial interests of the United States.

(3) That the Interstate Commerce Commission be empowered to investigate fully complaints charging the unreasonableness or unfairness of rates, or to institute proceedings on its own initiative, and to order such rates changed

if convinced that the rate under consideration is unreasonably high, or discriminating in character as between shippers, or ports, or between exporters of the United States and their foreign competitors; and to order restitution to shippers of all sums collected in excess of reasonable rates. This recommendation is also intended to extend to the supervision of freight classifications used by the lines, and the investigation of complaints charging refusal on the part of any carrier to properly adjust the rates between classes of commodities.

The Committee realizes that the steamship business differs essentially from that of the railroads (for those differences see pp. 309 to 311 of the Report), and that it might prove injurious to both ship owners and American exporters to require the lines to file their rates and not be permitted to lower the same until after a stipulated period of notice to change rates had been given. On the other hand, the Committee feels that in the absence of government control steamship combinations may in many instances have it within their power to arbitrarily raise rates to an unreasonable degree both as regards the general level and in the case of particular commodities; or, if they so desire, to fail in maintaining rates from the United States to foreign markets on a parity with those from other countries. It is not the purpose of this recommendation to prevent steamship lines from promptly lowering their rates to meet competitive conditions and thus to favor American exporters, who, in competing with foreign markets, often find it necessary in order to close their contracts to have quoted an immediate and favorable rate; but the purpose of the law should be to protect the shipper against any unreasonably high rate which the combination lines may have within their power, by virtue of their agreements and conference arrangements, arbitrarily to impose in the absence of government supervision and control.

(4) That rebating of freight rates to shippers be made illegal; and that, with due regard to the proper loading of the vessel and the tonnage available, discrimination between shippers, or ports, in the matter of rates and space accommodations be prohibited. In this connection it is the belief of the committee that water carriers should be required to charge equal rates to all shippers, irrespective of the volume of freight offered for shipment.

(5) That the Interstate Commerce Commission be empowered to investigate fully all complaints (or to undertake such investigation on its own initiative) charging (1) failure on the part of any carrier to give reasonable notice of increase in rates, (2) unfair treatment of shippers in the matter of cargo space and other facilities, (3) the existence of discriminating or unfair contracts with certain shippers, and (4) unfairness in the settlement of claims and indifference to the landing of freight in proper condition. In this connection the Commission should be empowered to order the discontinuance of all unfair or discriminating practices which it may find to exist, and to adopt whatever measures it may deem necessary to protect the complainant against retaliation.

(6) That the use of "fighting ships" and deferred rebates be prohibited in both the export and import trade of the United States. Moreover, all carriers should be prohibited from retaliating against any shipper by refus-

ing space accommodations when such are available, or by resorting to other unfair methods of discrimination, because such shipper has patronized an independent line, or has filed a complaint charging unfair treatment, or for any other reason.

(7) That adequate penalties be provided to correct and prevent the abuses hereinabove set forth.

RECOMMENDATIONS RELATING TO CARRIERS BY WATER ENGAGED IN THE
DOMESTIC TRADE

Unlike the practice of water carriers in the foreign trade of the United States, agreements to divide the territory or charge certain rates in the domestic trade are few. Competition in rates between domestic water lines, however, has been quite as effectively eliminated as in the foreign trade and this has been accomplished by the several lines through one or more of the numerous methods discussed in Part II of the foregoing Report and summarized on pp. 409 to 412. (Also see pp. 403 to 412 giving a "summary of the extent and methods of control of competition between water carriers in the domestic trade.")

The Act of August 24, 1912, providing for the opening, maintenance, protection and operation of the Panama Canal, contains provisions extending the jurisdiction of the Interstate Commerce Commission over interstate transportation which involves the carriage of property by rail and water, in the following particulars; viz., (1) to establish physical connection, where this is reasonably practicable and justifiable, between the rail carrier and the dock of the water carrier by directing either or both of the carriers to construct the connecting tracks; (2) "establish through routes and maximum joint rates over such rail and water lines, and to determine all the terms and conditions under which such lines shall be operated in the handling of the traffic embraced;" and (3) "to establish maximum proportional rates by rail to and from the ports to which the traffic is brought, or from which it is taken by the water carrier, and to determine to what traffic and in connection with what vessels and upon what terms and conditions such rates will apply." Section 11 of the Act also provides for the divorcing of common carriers by water from the railroads under certain conditions. These legislative requirements go far toward eliminating some of the undesirable practices which were found by the Committee to exist in the domestic commerce of the United States. The Committee, however, believes, in view of the facts presented in Part II of the Report, that additional legislation is required, and wishes to offer the following recommendations:

(1) That the jurisdiction of the Interstate Commerce Commission be extended to the interstate port-to-port traffic of domestic water carriers, with full power to require all such carriers to file their port-to-port rates and to submit reports of their financial and business operations. As regards interstate port-to-port traffic the Commission should be given full power to regulate rates and to determine maximum charges.

(2) That water carriers be required to file for approval with the Interstate

Commerce Commission all agreements or arrangements affecting interstate transportation, whether written or oral, and all modifications or cancellations thereof, with other water carriers, with railroads or other transportation agencies, or with shippers.

(3) That the carriers be prohibited from granting rebates of any kind to shippers and from discriminating between shippers in rates, in the giving of space accommodations and other facilities, and in the making of unfair contracts based on the volume of freight offered. Water carriers should also be prohibited from using fighting ships, or deferred rebates, or from threatening or resorting to retaliatory or other unfair measures against shippers or competitors. The Interstate Commerce Commission should be empowered to adopt whatever measures it may consider necessary to protect shippers or competitors against such retaliatory methods. Water carriers, if cutting rates with a view to driving out a competitor, should be denied the privilege of restoring rates; and jurisdiction should be conferred on the Interstate Commerce Commission to determine whether rates were cut with the object of crushing such competitor.

(4) That the Interstate Commerce Commission be empowered to investigate fully all complaints charging unfairness in the settlement of claims, and indifference to the loading and landing of freight in proper condition; and to adopt all necessary rules and regulations for the adjustment and settlement of claims.

(5) That as regards all matters relating to interstate transportation, all traffic associations or conferences, whether pertaining to through rail-and-water transportation or to port-to-port traffic only be brought under the supervision of the Interstate Commerce Commission. The Committee recommends that the conditions under which an outside water carrier is admitted to such associations or conferences should be approved by the Commission, and that an outside line should not be denied membership for unfair reasons or simply because the unanimous consent of existing members of the association or conference to the admission of said line cannot be obtained.

(6) That the railroads be prohibited from making the through rail-and-water route unprofitable as compared with the all-rail route by charging more for the same service on water-borne commodities than they charge for the proportionate share of the all-rail haul.

(7) That the Interstate Commerce Commission be empowered to compel railroads to allow competitive water carriers to apply effective differentials. The Commission should also have full supervisory power over divisions between railroads and water carriers as regards through rail-and-water rates. The Committee recommends that rate divisions on any trade route should be opened equally to all water carriers that comply with such conditions of quality and regularity of service as the Commission may determine to be reasonable.

(8) That the railroads and water carriers be required to issue through bills of lading to all interstate water carriers that meet such conditions of quality and regularity of service as the Interstate Commerce Commission may consider reasonable.

(9) That railroads be required to account separately to the Interstate Commerce Commission for the income and expenditures of interstate water lines owned or controlled by them.

(10) That railroads be required to make their terminal facilities available to water carriers on equal terms and under such reasonable conditions as the Interstate Commerce Commission may prescribe. The Committee also believes that the Federal Government should pursue a policy of not expending money in the interests of any port for harbor or channel improvements, unless that port has efficient dock facilities available to all water carriers.

(11) That there should be legislation providing for equal treatment to all shippers and water carriers by transfer and lighterage concerns when forming a link in interstate or foreign commerce.

(12) That all interstate traffic on canals be placed under the supervision of the Interstate Commerce Commission; and that the railroads be prohibited in the future from acquiring, either directly or indirectly, ownership and control of or interest in canals, or water lines, forwarding companies and other navigation facilities on such canals, when the same are used in interstate transportation.

Respectfully submitted,

J. W. ALEXANDER,
Chairman.

APPENDIX IV

BILL TO REGULATE CARRIERS BY WATER ENGAGED IN THE FOREIGN AND INTERSTATE COMMERCE OF THE UNITED STATES

Introduced in the House of Representatives by

J. W. ALEXANDER,

Chairman, Committee on the Merchant Marine and Fisheries.

A BILL TO REGULATE CARRIERS BY WATER ENGAGED IN THE FOREIGN AND INTER- STATE COMMERCE OF THE UNITED STATES¹

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the term "common carrier by water" when used in this Act means a common carrier engaged in the transportation by water of passengers or property in the interstate or foreign commerce of the United States, and if such transportation is in whole or in part within the territorial limits of the United States or its possessions includes common carriers by water engaged in transportation on canals or partly by water and partly by railroad when both are used under common control, management, or arrangement for a continuous carriage or shipment.

H. R. 17328. 63d Congress, 2d Session. Introduced June 18, 1914.

The term "common carrier by water" when limited by the term "in foreign commerce" means such a common carrier engaged in the transportation by water of passengers or property between the United States or any of its Districts, Territories, or possessions and a foreign country, and includes both the import and export trade.

The term "common carrier by water" when limited by the term "in interstate commerce" means such a common carrier engaged in the transportation by water of passengers or property between one State, Territory, District, or possession of the United States and any other State, Territory, District, or possession of the United States, or between one place in a Territory, District, or possession and another place in the same Territory, District, or possession.

The term "other person subject to this Act" means any person, not included in the term "common carrier by water," and carrying on the business of forwarding, ferrying, towing, or furnishing transfer, lighterage, dock, warehouse, or other terminal facilities, in or in connection with the foreign or interstate commerce of the United States.

The term "person" wherever used in this Act includes corporations and associations existing under or authorized by the laws of the United States, or any State, Territory, District, or possession thereof, or of any foreign country.

SEC. 2. That no common carrier by water in foreign commerce or in interstate commerce shall—

First. Pay or allow or enter into any combination, agreement, or understanding, expressed or implied, to pay or allow a deferred rebate to any shipper. The term "deferred rebate" as used in this Act means a return of any portion of the freight money allowed by a carrier to any shipper as a consideration for the giving of all or any portion of his shipments to such carrier, or for any other purpose, the payment of which is deferred beyond the period for which it is computed and is made only if, during both the period for which the return is computed and the period of deferment, the shipper has given his shipments to such carrier in accordance with the terms of the rebate, agreement or arrangement.

Second. Use, either separately or in conjunction with any other carrier through agreement or otherwise, fighting ships for the purpose of excluding, preventing, or reducing competition. The term "fighting ship" as used in this Act means a vessel selected for and employed in a particular trade by a carrier or group of carriers for the sole purpose of driving another carrier out of said trade. The Interstate Commerce Commission, after full hearing upon a complaint made, or after full hearing under an order for an investigation and hearing made by the commission on its own initiative, shall determine questions of fact as to whether said carrier or carriers did select or employ a vessel as a fighting ship.

Third. Retaliate against any shipper by refusing, or threatening to refuse, space accommodations when such are available, or resort to other discriminating or unfair methods, because such shipper has patronized any other carrier or has filed a complaint charging unfair treatment or for any other reason.

Any carrier who violates any provision of this section shall be guilty of a misdemeanor punishable by a penalty of not less than \$5,000 nor more than \$25,000 for each offense. If it shall be determined by the Interstate Commerce Commission or adjudged by any court of competent jurisdiction that any vessel, whether of the United States or of any foreign country, is being operated in violation of any provision of this section, the commission or the court may, by its order, judgment, or decree, prohibit said vessel from entering at or clearing from any port of the United States in violation of such order, judgment, or decree made or rendered; whereupon it shall be unlawful for such vessel to so enter or clear until the commission or court shall find that the violation of this section has ceased. A penalty of \$25,000 shall be imposed upon any vessel which shall enter or clear from any port of the United States in violation of the provisions of a judgment or decree rendered as provided in this section for each and every such entry or clearance, which penalty or penalties may be recovered by proceedings in admiralty in the district court of the United States for the district in which said vessel may be, and the court may direct the sale of said vessel for the purpose of realizing the amount of said penalty or penalties and cost.

SEC. 3. That every common carrier by water in foreign commerce or in interstate commerce, or other person subject to this Act, shall file for approval with the Interstate Commerce Commission a true copy, or, if oral, a true and complete memorandum, of every agreement, understanding, conference, or other arrangement, to which it may be a party, or to which it may conform in whole or in part, fixing or regulating transportation rates or fares; giving or receiving special rates, accommodations, or other special privileges or advantages; controlling, regulating, preventing, or destroying competition; pooling or apportioning earnings, losses, or traffic; allotting the ports or restricting or otherwise regulating the number and character of sailings between ports; limiting or regulating in any way the volume or character of freight or passenger traffic to be carried; or in any manner providing for an exclusive, preferential, or coöperative working arrangement. All modifications and cancellations of such agreements, understandings, conferences, or arrangements shall be immediately filed for approval with the commission.

The Interstate Commerce Commission is hereby empowered to order canceled or modified any such agreement, understanding, conference, or arrangement, or any part thereof, that it may find discriminating or unfair as between carriers, shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors, or that it may find to operate to the detriment of the commerce of the United States, or that may be in violation of this Act.

All such agreements, understandings, conferences, and arrangements shall be approved or disapproved by the Interstate Commerce Commission, and when approved shall be excepted from the provisions of the Act of Congress approved July second, eighteen hundred and ninety, entitled "An Act to protect trade and commerce against unlawful restraints and monopolies," and amendments and Acts supplementary thereto, and the provisions of sections seventy-three to seventy-seven, both inclusive, of an Act approved

August twenty-seventh, eighteen hundred and ninety-four, entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes," and amendments and Acts supplementary thereto.

Any carrier by water, or other person subject to this Act, who fails to file with the Interstate Commerce Commission, within a reasonable time to be prescribed by the commission, a true and complete copy or memorandum of every agreement, understanding, conference, or arrangement, as required in this section, shall be liable for each such offense to a penalty of \$1,000 for each day during which such offense continues. Said penalty shall accrue to and be recovered by the United States in a civil action.

SEC. 4. That every traffic or rate association or conference of which any common carrier by water in interstate commerce may be a member, or with which it may be associated, either directly or indirectly, is hereby placed under the jurisdiction of the Interstate Commerce Commission as regards the approval of all matters pertaining to rates, traffic arrangements between carriers, and other conditions of water transportation affecting the interests of shippers and carriers, and with respect to both rail-and-water and all-water transportation, if the same are not entirely within the limits of a single State. Jurisdiction is hereby also conferred on the commission to approve and prescribe reasonable conditions under which other carriers shall be admitted to membership in such association or conference. It shall be unlawful to deny membership in any such association or conference to any carrier because the consent of all or any number of the existing members of such association or conference can not be obtained to favor the admission of said carrier.

SEC. 5. That it shall be unlawful for any common carrier by water, or other person subject to this Act, either directly or indirectly—

First. To issue or give any free ticket, free pass, or free transportation for passengers, or to carry, store, or handle property free or at reduced rates: *Provided*, That this provision shall not prohibit any common carrier by water from giving such free ticket, free pass, or free transportation to its employees and their families, its officers, agents, surgeons, physicians, attorneys at law, and witnesses attending any legal investigation in which the common carrier is interested; to ministers of religion, inmates of hospitals, and charitable and eleemosynary institutions, and persons exclusively engaged in charitable and eleemosynary work; to indigent, destitute, and homeless persons, and to such persons when transported by charitable societies or hospitals, and the necessary agents employed in such transportation; to persons injured in wrecks and physicians and nurses attending such persons; to inmates of the National homes or State homes for disabled volunteer soldiers, and of soldiers' and sailors' homes, including those about to enter and those returning home after discharge; to necessary caretakers of live stock and cargo; and to employees in the mail service, post-office inspectors, customs inspectors, and immigration inspectors: *Provided further*, That this provision shall not be construed to prohibit the interchange of passes for the officers, agents, and employees of common carriers and their families; nor to prohibit any common carrier from carrying passengers free with the object of providing relief in cases of general epidemic, pestilence, or other calamitous visitation: *And*

provided further, That the terms "employees" and "families" as used in this section shall be defined as in section one of the Act to regulate commerce approved February fourth, eighteen hundred and eighty-seven, and amendments thereto: *And provided further*, That nothing in this Act shall prevent the carriage, storage, or handling of property free or at reduced rates for the United States, State, or municipal governments, or for charitable purposes, or to or from fairs and expositions for exhibition thereat, or the giving of reduced rates to ministers of religion, or to municipal governments for the transportation of indigent persons, or to inmates of the National homes or State homes for disabled volunteer soldiers, and of soldiers' and sailors' homes, including those about to enter and those returning home after discharge, under arrangements with the board of managers of said homes.

Any common carrier by water violating this provision or any person using such free ticket, free pass, or free transportation, or such free or reduced transportation for the carriage, storage, or handling of property in violation of this provision shall be deemed guilty of a misdemeanor, and for each offense, on conviction, shall pay to the United States a penalty of not less than \$100 nor more than \$2,000.

Second. To charge, demand, collect, or receive from any person or persons by any special rate, rebate, drawback, or other device a greater or less compensation for any service rendered or to be rendered in the transportation of passengers or property subject to the provisions of this Act than it charges, demands, collects, or receives from any other person or persons for doing for him or them a like service in the transportation of a like kind of traffic under substantially similar circumstances and conditions.

Third. To make or give any undue or unreasonable preference or advantage to any particular person, locality, or description of traffic in any respect whatsoever or to subject any particular person, locality, or description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

Fourth. To allow any person or persons to obtain transportation for property at less than the regular rates then established and enforced on the line of transportation of such carrier, by means of false billing, false classification, false weighing, false report of weight, or by any other device or means. Any willful violation of this provision by any common carrier by water, or, whenever such common carrier is a corporation, by any officer or agent thereof, or any person acting for or employed by such corporation, or by any person, corporation, or company, or any agent or officer thereof, who shall deliver property for transportation to any common carrier by water subject to this Act, or for whom, as consignor or consignee, any such carrier shall transport property, shall be a misdemeanor punishable, upon conviction, by a fine of not exceeding \$5,000; or imprisonment in the penitentiary for a term of not exceeding two years, or both, in the discretion of the court, for each offense.

Fifth. To induce, persuade, or otherwise influence any marine insurance company or underwriter, or agent thereof, to prevent a competing carrier by water from securing as favorable a rate of insurance on cargo carried, having due regard to the class of vessel, as is granted to such carrier or person.

Any common carrier by water, or other person subject to this Act, or whenever such carrier or person is a corporation, any director or officer thereof, or any receiver, trustee, lessee, agent, or person acting for or employed by such corporation, who, alone or with any other person, or party, shall knowingly and wilfully do or cause to be done, or shall willingly suffer or permit to be done, any act, matter, or thing in this section prohibited and hereby declared to be unlawful, or who shall aid or abet therein, and for which no penalty is otherwise provided in this section, shall be deemed guilty of a misdemeanor, and shall, upon conviction, be subject to a fine of not to exceed \$5,000 for each offense: *Provided*, That if the offense for which any person shall be convicted as aforesaid shall be an unlawful discrimination in rates, fares, or charges for the transportation of passengers or property, such person shall, in addition to the fine hereinbefore provided for, be liable to imprisonment in the penitentiary for a term of not exceeding two years, or both such fine and imprisonment, in the discretion of the court.

SEC. 6. That whenever, after full hearing upon a complaint, or under an order for investigation made by the Interstate Commerce Commission on its own initiative (either in extension of any pending complaint or without any complaint whatever), the commission shall be of opinion that any rates or charges demanded, charged, or collected by any common carrier by water in foreign commerce are unreasonably high, or unjustly discriminatory between shippers or ports, or unjustly prejudicial to exporters of the United States as compared with their foreign competitors, or represent an unjust relation between classes of commodities the commission is hereby empowered to determine and prescribe what shall be the just and reasonable rates and charges to be thereafter observed as the maximum to be charged, and to make an order that such carrier shall cease and desist from publishing, demanding, or collecting any rate or charge in excess of the prescribed maximum, such order to continue in force for such period of time, not exceeding two years, as shall be prescribed in the order of the commission, unless the same shall be suspended, modified, or set aside by the commission, or be suspended or set aside by a court of competent jurisdiction. The commission is hereby also empowered upon formal complaint, or in proceedings instituted by the commission of its own motion and after full hearing, to determine, prescribe, and order enforced just and reasonable regulations and practices relating to or connected with the receiving, handling, storing, and delivering of property by any such carrier.

SEC. 7. That every common carrier by water in interstate commerce shall establish, observe, and enforce in interstate commerce just and reasonable rates, fares, and charges and just and reasonable regulations and practices affecting classifications, rates, or tariffs, the issuance, form, and substance of tickets, receipts, and bills of lading, the manner and method of presenting, marking, packing, and delivering property for transportation, the carrying of personal, sample, and excess baggage, the facilities for transportation, and all other matters relating to or connected with the receiving, handling, transporting, storing, and delivering of property. Whenever the Interstate Commerce Commission shall, upon formal complaint or in proceedings instituted

by the commission of its own motion and after full hearing, be of opinion that any of the aforementioned rates, charges, classifications, regulations, or practices are unjust or unreasonable, the commission is hereby empowered to determine, prescribe, and order enforced just and reasonable rates, charges, classifications, regulations, and practices.

Every common carrier by water in interstate commerce shall file with the Interstate Commerce Commission and keep open to public inspection, in the form and within the time prescribed by the commission, all the rates, fares, and charges for transportation between different points on its own route and points on the route of any other carrier by water when a through route and joint rate have been established, and if no joint rate over the through route has been established the several carriers in such through route shall file the separately established rates, fares, and charges applied to the through transportation. No increase shall be made by such carrier in the rates, fares, and charges, or joint rates, fares, and charges which have been filed in compliance with the requirements of this section, except after ten days' notice to the commission, which notice shall plainly state the increase proposed to be made. The Interstate Commerce Commission is hereby empowered to determine and prescribe what shall be the maximum rates, fares, and charges to be observed and charged by such carrier, and to make an order that such carrier shall cease and desist from demanding or collecting any rate, fare, or charge in excess of the prescribed maximum, such order to continue in force for such period of time, not exceeding two years, as shall be prescribed in the order of the commission, unless the same shall be suspended, modified, or set aside by the commission, or be suspended or set aside by a court of competent jurisdiction. The Interstate Commerce Commission is hereby also empowered to determine and enforce differentials between the rates charged in interstate commerce by common carriers by rail and by water when the two classes of carriers are in competition with each other.

SEC. 8. That whenever a common carrier by water in interstate commerce reduces its rates on the carriage of any species of freight to or from competitive points below a fair and remunerative basis with the intent of driving out or otherwise injuring a competitive carrier by water, it shall not be permitted to increase such rates unless after hearing by the Interstate Commerce Commission it shall be found that such proposed increase rests upon changed conditions other than the elimination of said competition. Jurisdiction is hereby conferred upon the Interstate Commerce Commission after full hearing upon a complaint made, or after full hearing under an order for investigation and hearing made by the commission on its own initiative, to determine questions of fact as to whether said carrier did reduce rates below a fair and remunerative basis with the intent of driving out or otherwise injuring said competitor.

SEC. 9. That it shall be unlawful for any common carrier by water, or other person subject to this Act, or any officer, agent, or employee of such carrier or person, or for any other person lawfully authorized by such carrier or person to receive information therefrom, knowingly to disclose to or permit to be acquired by any person other than the shipper or consignee, without

the consent of such shipper or consignee, any information concerning the nature, kind, quantity, destination, consignee, or routing of any property tendered or delivered to such common carrier for interstate transportation, or for transportation between the United States and a foreign country, which information may be used to the detriment or prejudice of such shipper or consignee, or which may improperly disclose his business transactions to a competitor, or which may be used to the detriment or prejudice of any carrier; and it shall also be unlawful for any person to solicit or knowingly receive any such information which may be so used: *Provided*, That nothing in this Act shall be construed to prevent the giving of such information in response to any legal process issued under the authority of any court of a State or of the United States, or to any officer or agent of the Government of the United States, or of any State or Territory, in the exercise of his powers, or to any officer or other duly authorized person seeking such information for the prosecution of persons charged with or suspected of crime, or information given by a common carrier to another carrier, or its duly authorized agent, for the purpose of adjusting mutual traffic accounts in the ordinary course of business of such carriers.

SEC. 10. That the Interstate Commerce Commission is hereby empowered to investigate fully all complaints (or to undertake investigation on its own initiative) against any common carrier by water, charging unfair treatment of shippers in the matter of cargo space accommodations or other facilities, having due regard for the proper loading of the vessel and the available tonnage, or unfair or discriminating contracts with shippers based on the volume of freight offered, or unfair treatment in the loading and landing of freight in proper condition, or unfair treatment in the adjustment and settlement of claims. The commission is hereby empowered to order the discontinuance of all unfair or discriminating practices which it may find to exist, and to adopt all rules and regulations which it may deem necessary to prevent such unfair or discriminating practices, and to protect the complainant against any form of retaliation.

SEC. 11. That when property may be or is transported by rail and water from point to point in the United States, and not entirely within the limits of a single State, it shall be unlawful for any railroad company or companies to discriminate against such rail-and-water route, as compared with the all-rail route between the same points, by charging more for the same transportation service, having due regard for reasonable extra terminal charges and other expenses involved, on water-borne commodities and articles moving between said points, than they charge on the same kind of commodities and articles for the proportionate share of the all-rail haul. The Interstate Commerce Commission is hereby empowered upon complaint, or on its own initiative and after full hearing, to determine questions of fact as to the violation of the provisions of this section by any railroad company, and to order any such violation discontinued.

SEC. 12. That from and after the passage of this Act it shall be unlawful for any railroad company or other common carrier to acquire, either directly or indirectly, ownership or control of, or to acquire any interest whatsoever

(by stock ownership, either directly or indirectly, or through any holding company, or by directors in common, or by lease, or by arrangement to operate, or in any other manner) in any canal in the United States, or in any common carrier, water line, or forwarding company on such canal, when the same is used in interstate commerce, unless the Interstate Commerce Commission shall approve such acquisition as being in the public interest and of advantage to the convenience and commerce of the people.

SEC. 13. That for the purpose of enabling it the better to carry out the purposes of this Act, the Interstate Commerce Commission is hereby empowered, in its discretion, to require any common carrier by water in foreign commerce (and if such common carrier is a corporation, any director or officer thereof, or any receiver, trustee, lessee, agent, or person acting for or employed by such corporation) to file with it any periodical or special report, or any account, record, rate, or charge, or any memorandum of any facts and transactions appertaining to the carrier's business, concerning any matter about which the commission is authorized or required by this Act to inquire or keep itself informed or which it is required to enforce, or to require from any such carrier specific answers to all questions upon which the commission may need information in carrying out this Act. Any such reports, accounts, records, rates, charges, and memoranda, or answers to questions, shall be under oath whenever the commission so requires, and shall be furnished in the form and within the time prescribed by the commission. If any carrier referred to in this section (and if such carrier is a corporation, any director or officer thereof, or any receiver, trustee, lessee, agent, or person acting for or employed by such corporation) shall fail to file any report, account, record, rate, charge, or memorandum, or shall fail to make specific answer to any question authorized by this section, within such reasonable time as the commission may prescribe, such carrier shall forfeit to the United States the sum of \$100 for each and every day it shall continue to be in default with respect thereto. Any person (or where the carrier by water is a corporation, any director or officer thereof, or any receiver, trustee, lessee, agent, or person acting for or employed by such corporation) who shall willfully falsify in any manner whatsoever, or who shall willfully destroy, mutilate, or alter, or who shall willfully neglect or fail truthfully to file any such report, account, record, rate, charge, memorandum, or answer, shall be deemed guilty of a misdemeanor, and shall be subject, upon conviction, to a fine of not less than \$1,000 nor more than \$5,000, or imprisonment for a term not to exceed three years, or by both such fine and imprisonment.

SEC. 14. That section twenty of the Act entitled "An Act to regulate commerce," approved February fourth, eighteen hundred and eighty-seven, and all amendments to said section of said Act, shall apply to common carriers by water in interstate commerce, as far as the same may be applicable to said carriers. The penalties provided in said section twenty of said Act to regulate commerce and amendments thereto shall apply, in the manner therein described, to any common carrier by water in interstate commerce.

The Interstate Commerce Commission is hereby empowered to require any railroad or other person to account separately, in the manner prescribed

by it, for the income, expenditures, and other financial and property characteristics of any common carrier by water in interstate commerce, which may be at present not separately incorporated but whose identity is merged with the general property and income account of said railroad or other person.

SEC. 15. That any common carrier by water or by railroad or other person subject to this Act, or whenever such carrier or person is a corporation, any director, officer, receiver, trustee, lessee, or agent of, or person acting for or employed by such corporation who alone or with any other person willfully does or causes to be done or willingly suffers or permits to be done any act, matter, or thing in this Act prohibited or declared to be unlawful, or who aids or abets therein, or violates any order or regulation made by the Interstate Commerce Commission in pursuance of the provisions of this Act, or who aids or abets therein, or willfully omits or fails to do any act, matter, or thing in this Act required to be done, or causes or willingly suffers or permits any act, matter, or thing so directed or required by this Act to be done not to be so done, or aids or abets any such omission or failure, or is guilty of any violation of this Act, or who aids or abets therein, shall be guilty of a misdemeanor, and upon conviction thereof in any district court of the United States within the jurisdiction of which such offense was committed shall, except as in this Act otherwise provided, be subject to a fine of not to exceed \$5,000 for each offense: *Provided*, That any person convicted as aforesaid of a violation of sections six, seven, ten, eleven, or twelve of this Act shall be subject to a fine of not more than \$5,000 for each day during which such violation continues: *Provided further*, That any person convicted as aforesaid of a violation of section nine of this Act shall be subject to a fine of not to exceed \$1,000 for each offense.

Every violation of this Act shall be prosecuted in any court of the United States having jurisdiction of crimes within the district in which such violation was committed, or through which the transportation may have been conducted; and whenever the offense is begun in one jurisdiction and completed in another it may be dealt with, inquired of, tried, determined, and punished in either jurisdiction in the same manner as if the offense had been actually and wholly committed therein.

SEC. 16. That any person who shall be injured in his business or property by reason of any common carrier by water or by rail, or other person subject to this Act, doing, causing to be done, or permitting to be done any act, matter, or thing in this Act prohibited or declared to be unlawful, or omitting to do any act, matter, or thing in this Act required to be done, may sue therefor in any district court of the United States in the district in which the defendant resides or is found, or has an agent, without respect to the amount in controversy, and shall recover double the damages by him sustained, and the cost of suit, including a reasonable attorney's fee.

SEC. 17. That whenever in any suit or proceeding in equity hereafter brought by or on behalf of the United States under this Act, or in any proceeding before the Interstate Commerce Commission under this Act, there shall have been rendered a final judgment or decree, or decision or order, to the effect that a defendant has done, or failed to do, any act, matter, or thing

in this Act prohibited or required or declared to be unlawful, said judgment or decree, or decision or order, shall, to the full extent to which such judgment or decree, or decision or order, would constitute in any other suit or proceeding an estoppel as between the United States and such defendant, constitute against such defendant prima facie evidence of the same facts in favor of any other party in any suit or proceeding brought under or involving the provisions of this Act.

In the case of a private right of action arising under this Act and based in whole or in part on any matter complained of in any suit or proceeding in equity brought under this Act by or on behalf of the United States, the statute of limitations shall not run during the pendency of suit or proceeding.

SEC. 18. That it shall be the duty of every common carrier by water or other person subject to this Act, within sixty days after the taking effect of this Act, to designate in writing an agent in the city of Washington, District of Columbia, upon whom service of all orders, notices, and processes may be made for and on behalf of said common carrier or person in any proceeding or suit pending before the Interstate Commerce Commission, and to file such designation in the office of the secretary of the Interstate Commerce Commission, which designation may from time to time be changed by like writing similarly filed; that thereupon service of all orders, notices, and processes may be made upon such carrier or person by leaving a copy thereof with such designated agent at his office or usual place of residence in the city of Washington with like effect as if made personally upon such carrier or person; and in default of such designation of such agent service of any order, notice, or process in any proceeding before the Interstate Commerce Commission may be made by posting a copy of such notice, order, or process in the office of the secretary of the Interstate Commerce Commission.

SEC. 19. That the Interstate Commerce Commission shall execute and enforce the provisions of this Act. There are hereby extended to the commission in the execution of this Act the powers granted to it by the Acts entitled "An Act to regulate commerce," approved February fourth, eighteen hundred and eighty-seven; "An Act making appropriations to supply urgent deficiencies in appropriations for the fiscal year nineteen hundred and thirteen, and for other purposes," approved October twenty-second, nineteen hundred and thirteen; "An Act in relation to testimony before the Interstate Commerce Commission, and in cases or proceedings under or connected with an Act entitled 'An Act to regulate commerce,' approved February fourth, eighteen hundred and eighty-seven, and amendments thereto," approved February eleventh, eighteen hundred and ninety-three; "An Act defining the right of immunity of witnesses under the Act entitled 'An Act in relation to testimony before the Interstate Commerce Commission,' and so forth, approved February eleventh, eighteen hundred and ninety-three, and an Act entitled 'An Act to establish the Department of Commerce and Labor,' approved February fourteenth, nineteen hundred and three, and an Act entitled 'An Act to further regulate commerce with foreign nations and among the States,' approved February nineteenth, nineteen hundred and three, and an Act entitled 'An Act making appropriations for the legislative, executive, and judicial

expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and four, and for other purposes,' approved February twenty-fifth, nineteen hundred and three," approved June thirtieth, nineteen hundred and six; "An Act to further regulate commerce with foreign nations and among the States," approved February nineteenth, nineteen hundred and three; "An Act to expedite the hearing and determination of suits in equity pending or hereafter brought under the Act of July second, eighteen hundred and ninety, entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies,' 'An Act to regulate commerce,' approved February fourth, eighteen hundred and eighty-seven, or any other Acts having a like purpose that may be hereafter enacted," approved February eleventh, nineteen hundred and three, and all Acts amendatory thereof. All other provisions of the said Acts, in so far as they may be applicable to the enforcement of and not inconsistent with this Act, are hereby made applicable to, incorporated in, and made a part of this Act.

The United States or any party damaged by the violation of this Act or of the orders or regulations of the Interstate Commerce Commission made in pursuance hereof shall be entitled to all the rights and remedies given to the United States or such party, respectively, in any of said Acts and in sections four and five of the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies," approved July second, eighteen hundred and ninety.

SEC. 20. That to carry out and give effect to the provisions of this Act, the Interstate Commerce Commission is authorized to employ such experts and other assistants as may be necessary, and to appoint special agents or examiners who shall have powers to administer oaths, examine witnesses, and take testimony.

SEC. 21. That the Interstate Commerce Commission is hereby enlarged so as to consist of eleven members, whose terms of office, appointment, qualifications, and compensation shall be as already provided by law. Such enlargement of the commission shall be accomplished through appointment by the President, by and with the advice and consent of the Senate, of four additional Interstate Commerce Commissioners, one for a term expiring December thirty-first, nineteen hundred and eighteen, one for a term expiring December thirty-first, nineteen hundred and nineteen, one for a term expiring December thirty-first, nineteen hundred and twenty, and one for a term expiring December thirty-first, nineteen hundred and twenty-one. The successors of the additional commissioners herein provided for shall be appointed for the full term of seven years, except that any person appointed to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he shall succeed. Not more than six commissioners shall be appointed from the same political party.

SEC. 22. That this Act shall take effect from its passage.

BOOK DEPARTMENT

NOTES

ADAMS, CHARLES FRANCIS. *The Monroe Doctrine*. Pp. 42. Price, 50 cents. Boston: Houghton, Mifflin Company, 1914.

ANTRIM, SAIDA BRUMBACK, and ANTRIM, ERNEST IRVING. *The County Library*. Pp. xiv, 306. Price, \$2. Van Wert, Ohio: The Pioneer Press, 1914.

BABSON, ROGER W. *The Future Method of Investing Money*. Pp. 107. Price, 60 cents. Boston: Babson's Statistical Organization, 1914.

The Future Method of Investing Money, had it been the first work of the author on the topic discussed (the application of Mr. Babson's principles of forecasting conditions), might have been considered to contain a new and interesting theory. In view of the writer's former book *Business Barometers*, an excellent work which was a pioneer in its field, this volume is very disappointing. It contains only the briefest outline of the subjects treated, namely, price movements in the security market, when to buy securities, what securities to buy and a sample of the author's composite plot of business conditions. It is excellently printed, and is one of a series of similar books, to be known as the "Babson Economic Series."

BACKHOUSE, E., and BLAND, J.O.P. *Annals and Memoirs of the Court of Peking*. Pp. x, 531. Price, \$4. Boston: Houghton, Mifflin Company, 1914.

Here is a series of chapters—not altogether continuous—from the history of the last two Chinese dynasties; the Ming, in its later years, and Manchu, from its rise to its fall, including many anecdotes or characterizations of certain emperors.

The conception of China's history which these authors suggest has already been set forth in Mr. Bland's writings to the effect that the Chinese are by ancient character and fixed customs incapable of maintaining any government but despotism. From the facts of Chinese history making up most of the book, it seems better to assert the opposite thesis that a despotism is no more permanently possible in China than elsewhere; that is to say, that China is not a special creation. It appears that nearly all the Chinese monarchs in 300 years have been unfit for their duties.

"Young China," these writers treat quite contemptuously, as "condemned of futility," "failing to seize its splendid opportunities"—forgetting that enthusiasm can seldom be expected to be moderate. Certainly the enthusiasm is not futile which has brought about a first step toward abolishing so evil a system as that here described.

The chief interest and great value of the work consist in its giving a view of Chinese politics from within—largely by diaries and other writings of Chinese in public life.

BEST, HARRY. *The Deaf*. Pp. xviii, 340. Price, \$2. New York: Thos. Y. Crowell Company, 1914.

There will be many who will welcome this well-written and comprehensive account. In view of the excellent educational provision made by many of our states, it seems curious that there are so few volumes on the subject. The author has rendered a service by collecting and publishing the material, hitherto so scattered as to be largely inaccessible. He gives a summary of existing knowledge as to the cause of deafness—children's diseases being largely responsible; sketches the history of the efforts to educate the deaf, describes the schools and indicates what the different states of our country are doing.

BEST, R. H., and OGDEN, C. K. *The Problem of the Continuation School and Its Successful Solution in Germany*. Pp. xv, 80. Price, 1s. London: P. S. King & Son, 1914.

This pamphlet is both a plea and an exposition: an exposition of Germany's method of dealing with training for vocations and for citizenship, and a plea for the adaptation of this system to England's needs. England has made little provision for the education of "the rank and file of the people, though possessing some excellent types of schools for the leisure class." Germany, on the other hand, has become convinced that "compulsory attendance at the continuation school in the daytime, between the ages of fourteen and eighteen, is absolutely indispensable." The dominating idea in Munich, as in many other German cities, has come to be that technical education is only a means for mental and moral training. Schools have been provided for every trade which can provide more than twenty pupils between the ages of fourteen and eighteen. Employers are obliged in every case to allow the time. In the technical instruction the endeavor is to let the pupil "find pleasure in simple, careful, thorough, conscientious work, in genuine materials, and to encourage him to new attempts through the feeling of confidence in his own power." Civic instruction is given a trade setting so as to grow into a realization of the "continually growing interdependence of interests among all citizens of a community."

The work is quite as full of lessons for America as for England.

BRANFORD, VICTOR. *Interpretations and Forecasts*. Pp. 411, xxiv. Price, \$2.50. New York: Mitchell Kennerley, 1914.

A collection of addresses prepared for special occasions presented with a view to the application of sociology to the interpretation of present social tendencies and movements. No attempt is made to enter into the theoretical aspects of the science. However, sociology is pointed out to be one of three supreme scientific doctrines: that of energy, central in physical science, culminating in the industrial revolution; that of life, in evolution or biology with its attendant hygienic revolution; and that of society, in evolution or sociology, a moral and ideal revolution expressing itself in the improved outlooks and practices of human communities—rural and urban, national and international. In this achievement sociology has established two new studies in

the very centre of the field, viz., eugenics and civics. These form both "a definite objective and a concrete basis" for the conscious direction of human social evolution. As doctrines of life and conduct, they appeal alike to student and citizen with a set of evolutionary ideals which unite university and city in the closest working relationship. The style is verbose, but the reader is well repaid for the perusal of the volume.

BROWN, W. JETHRO. *The Underlying Principles of Modern Legislation*. Pp. xx, 331. Price, 10/6. London: John Murray.

The Underlying Principles of Modern Legislation by W. Jethro Brown, Professor of law in the University of Adelaide, Australia, and formerly of St. John's College, Cambridge, is a refreshing study of British politics and especially of what the author has very cleverly called the legislative idealism of the nineteenth century. After a searching study of *laissez faire* and the relations of the individual to society, including an illuminating description, from the social viewpoint, of the individual rights to life, liberty, marriage, land, work, equality of opportunity, self-government, resistance, Professor Brown points out how the pressure of economic and social changes is bound to cause an increased activity and a continuing responsibility on the part of the state. His conclusions of a philosophical analysis of the modern problems of the trusts, unemployment, low wages, child labor, etc., point to a coming period of exceptional legislative activity in the near future.

The author hopes that the democratization of our political machinery and a growing sense of collective responsibility will lead us not to try to thwart the movements toward state control but to direct them so as to achieve legitimate ends without sacrificing the individuality of the citizen. The worst enemy of the existing social order, in Professor Brown's opinion, is "the man who opposes any and every proposal for social amelioration."

VON BÜLOW, PRINCE BERNHARD. *Imperial Germany*. (Trans. by Marie A. Lewenz). Pp. 342. Price. \$3. New York: Dodd, Mead & Company, 1914.

CLARK, JOHN BATES. *Social Justice Without Socialism*. Pp. 49. Price, 50 cents. Berkeley: University Press, 1914.

The greatest obstacle to social justice is monopoly. There can be no real justice without freedom to compete. The insuring of this freedom should be the primary aim of governmental enterprise. The working day should be shortened, dangers of occupation should be minimized, the tariff on the necessities of the poor man should be lowered, emergency employment should be provided, natural resources should be conserved, and kindred reforms should be guaranteed, but the great underlying necessity is the maintenance of those economic rivalries that foster progress. "A New Jerusalem may actually arise out of the fierce contentions of the modern market. The wrath of men may praise God and his kingdom may come, not in spite of, but by means of, the contests of the economic sphere."

Such in brief is the argument of this stimulating lecture, delivered at the University of California as one of the Barbara Weinstock series on phases of the moral law in its bearing on business life.

ENGEL, SIGMUND. *The Elements of Child Protection* (Trans. by Dr. Eden Paul). Pp. xi, 276. Price, \$3.50. New York: The Macmillan Company.

Dr. Sigmund Engel, the official guardian and advocate in Budapest, has given us in his *Elements of Child Protection* a very interesting study of the problems of child protection from the joint outlook, as he calls it, of socialism and Darwinism. It does not profess to be either a handbook or a philosophy of child protection, but it is a thorough-going review of the current literature dealing with the care of foundlings, infant mortality problems, elementary education, child labor, juvenile crime and juvenile courts. The author has positive opinions on many points which he does not hesitate to express without always being particularly careful to furnish the supporting evidence or convincing arguments. Dr. Engel holds that all child protection is merely palliative, though a necessary adjunct of capitalism, and that prevention should be the real social aim but cannot be until the existing social order is completely revolutionized. "The true child-protection, the child protection of the future, will take the form of the destruction of capitalism."

The book as a whole is visionary and is particularly vulnerable in the inadequacy of information it shows concerning American conditions, yet it brings together a great deal of current European opinion and practice in dealing with children's problems that are not accessible elsewhere to American readers.

FISCHER, LOUIS E. *Economics of Interurban Railways*. Pp. ix, 116. Price, \$1.50. New York: McGraw-Hill Book Company, Inc., 1914.

FOSTER, W. T. (Ed.) *The Social Emergency*. Pp. viii, 224. Price, \$1.35. Boston: Houghton, Mifflin Company, 1914.

This volume includes a series of lectures on the subject of sex hygiene and morals, most of which were originally delivered at Reed College, Portland, in 1913, by a number of doctors and educators. They are edited by the president of the college, Dr. Foster, who contributes in addition the first two and the last chapters. The medical, economic, recreational, educational and moral aspects are all treated. The book is free from cant and emotionalism, and the tone which pervades the pages is to be commended. The perplexed parent as well as the student will find many valuable suggestions therein.

General Survey of Events, Sources, Persons and Movements in Continental Legal History, by various European Authors (Trans. from second French edition by Rapelje Howell). The Continental Legal History Series, vol. 1, pp. liii, 754. Price, \$6. Boston: Little, Brown and Company.

GETTELL, RAYMOND G. *Problems in Political Evolution*. Pp. vii, 400. Price, \$2. Boston: Ginn and Company, 1914.

GILBRETH, L. M. *The Psychology of Management*. Pp. 344. Price, \$2. New York: Sturgis and Walton Company, 1914.

The author of the *Psychology of Management* has given us an excellent analysis, definition and classification of the various factors involved in a comprehensive grasp of his subject. The book may be classified as purely scientific and expository in its interest in that each term is defined accurately before given its setting. However, the definitions are so stated as to form a part of the larger subject, scientific management, the philosophy of which insists that progress in economic development implies its acceptance. Psychology in its relation to individual economic development is shown to insist upon a complete regard for the following subjects: functionalization, measurements, analysis and synthesis, standardization, records and programs, teaching, incentives and welfare.

The necessity for emphasis upon individual psychology in management as contrasted to crowd or group psychology is strongly urged.

This book is well adapted for those who have a previous interest in the subject and is excellent for general class teaching. However, to the one whose interest in this subject is creative it might at times seem to overemphasize the spirit of definition.

GOLDMAN, SAMUEL P. *Stock Exchange Laws*. Pp. ix, 290. Price, \$1.50. New York: Doubleday, Page and Company, 1914.

A legal treatment of a subject much discussed at the present time, intended as a definition of the duties and rights of stock brokers and customers, and as a reference handbook. Part three, dealing with the broker and customer, is the most valuable portion of the work, and well deserves more than forty pages. Especially valuable also are the annotations to the constitution of the New York Stock Exchange and the numerous citations throughout the volume.

If any criticism may be made, it is that an arrangement by subject would have proved more satisfactory to the ordinary reader than a division into constitution of the exchange, laws and decisions, by-laws and rules of the exchange, and laws of the state of New York. The latter arrangement makes necessary a reference to several sections at times in order to cover completely a particular subject.

Although reasonable in size, and not to be compared with such a work as Dos Passos, it will serve one purpose at least, namely, to acquaint the public with the fact that many of the provisions of proposed laws have been embodied in the rules of the exchange for some time, and that, instead of being a lawless association, the stock exchange is one of the best governed organizations in the world.

HAINES, CHARLES G. *The American Doctrine of Judicial Supremacy*. Pp. xviii, 365. Price, \$2. New York: The Macmillan Company, 1914.

Professor Haines has written an excellent treatise on our peculiar American view of the courts; he finds precedents for a doctrine of judicial supremacy, partly in the overruling law of nature, in the fundamental character of the

Constitution, in the old English view of the supremacy of the common law courts, and in some of the legal traditions of France, and considers that all of these had some influence in our early judicial history. He traces the early colonial precedents and state cases in Virginia, New York, New Jersey, Connecticut, Massachusetts, Rhode Island and North Carolina, and finds that in countless instances, the courts have from the earliest times assumed the power to review legislative action. The author attributes not a little of the growth of this power to the influence of Coke's writings and decisions.

The extreme form of the doctrine of judicial supremacy reached under Chief Justice Marshall was slowly modified and under Taney was essentially curbed. An interesting chapter follows on Lincoln and judicial supremacy, followed by a summary of the scope of judicial review since 1870 and a concluding chapter, which is one of the best, on recent criticisms of the practice of judicial supremacy. Professor Haines concludes with a philosophical summary of the two views of government which determine our attitude towards the judiciary. That which emphasizes the value of checks and balances in government stands necessarily for judicial control, while the advocates of "popular rule" are gradually establishing the counter doctrine of legislative or executive ascendancy.

HILLQUIT, MORRIS, and RYAN, JOHN A. *Socialism: Promise or Menace*. Pp. xiii, 270. Price, \$1.25. New York: The Macmillan Company, 1914.

HIRST, F. W. *The Sir Panics and Other Essays*. Pp. vii, 271. Price, 3 s. 6 d. London: Methuen and Company, Ltd., 1913.

ILLINGWORTH, S. ROY. *The Co-operation of Science and Industry*. Pp. 91. Price, 75 cents. London: Charles Griffin and Company, 1914.

The author has become alarmed that German manufacturers may undersell those whose plants are located in the British Isles. Mr. Illingworth thinks the reason for German success has been the ready acceptance by German factory owners of assistance and advice from men of science, and the training given to scientists that fit them to render aid to the business world. The writer draws all his illustrations from the field of chemistry. He pleads with the British employers to allow British chemists to help place British goods on a par with the products of Germany.

JOHNSTON, SIR HARRY. *Common Sense in Foreign Policy*. Pp. x, 119. Price, \$1.25. New York: E. P. Dutton and Company, 1913.

The book is intended for popular consumption, particularly by the British public. It is written in the belief that the voice of the people can and should be a force in shaping the future foreign policy of Great Britain. The enlargement of the franchise and the expansion of the power of the press in Scotland and Ireland, as well as in England, have widened popular interest and influence in foreign affairs and broken the exclusive control of them by a small coterie, including *The Times*. In eight chapters the relations of Britain with France, Germany, Austria-Hungary, Russia, Portugal, America, the Far East, and the

Near East are reviewed with the keen incisiveness of a wide-awake British traveller. English trade interests are regarded as primarily dictating the foreign policy of the present era, and the now usual plea is urged for an imperial policy based on British supremacy through the sea power. The author takes the extreme English view of the Clayton-Bulwer and Hay-Pauncefote treaties and regards the abandonment of British interests on the east coast of Central America as the greatest blunder in her foreign policy since the Napoleonic wars. While admitting the paramount interests of the United States in the West Indies, Johnston urges a confederation of British tropical America for defensive as well as economic purposes. Some of the reforms he suggests in the consular and diplomatic services of Great Britain merit careful consideration.

JONES, ROBERT. *The Nature and First Principle of Taxation*. Pp. xvii, 299. Price, 7/6. London: P. S. King and Son, 1914.

KEPHART, HORACE. *Our Southern Highlanders*. Pp. 395. Price, \$2.50. New York: Outing Publishing Company.

Mr. Kephart is an expert at woodcraft and the author of books upon the subject. Seeking more experience in that field, he made a sojourn in the Carolina Mountains and as a result gives us a book of observations. He has some sense of humor, an entertaining literary style, and he was able to see a good deal. He went for the joy of going rather than as a scientist or missionary. He sees the mountaineer sympathetically as a fellow human being rather than as a problem, although he, like nearly all others, could not help seeing that he is and has a problem. He tries to show us average conditions and deals alike with industry and dialect. He leaves an economist or geographer wishing he had told a little more of the industrial side to which, however, he gives considerable attention. The book is good reading, enjoyable to all the family from ten years upward.

KOHLER JOSEF. *Philosophy of Law* (Trans. by Adalbert Albrecht). Pp. xlv, 390. Price, \$3.50. Boston: The Boston Book Company, 1914.

This volume is the latest addition to the modern legal philosophy series edited by a committee of the Association of American Law Schools of which Professor Wigmore is chairman; previous volumes have been mentioned in THE ANNALS and the series does not lose in interest as it progresses. The author of the present volume, Dr. Josef Kohler, professor of law at the University of Berlin, is one of the most brilliant and versatile writers of the day, having contributed works of authority in many fields of learning besides jurisprudence. In the philosophy of law Dr. Kohler is the recognized head of the school known as neo-Hegelian, holding with Hegel that law is to be considered a cultural phenomenon; but he modernizes to a large extent the theories of his master. Combating the idea of natural law, his predominant thought is cultural progression. "There is no eternal law. The law that is suitable for one period is not so for another; we can only strive to provide every culture with its corresponding system of law." It would be impossible in this brief notice to describe the distinctive characteristics of a work which is a very

notable contribution to the science of jurisprudence. Even though the reader may disagree with many of the theories so confidently announced or deprecate a certain belligerent tone towards other schools, he will find food for solid thought in pages which for this generation at least must be reckoned with by all who would venture upon this slippery ground.

LE ROY, JAMES A. *The American in the Philippines*. Pp. xxviii, 774. Price, \$10. Boston: Houghton, Mifflin Company, 1914.

MAYREDER, ROSA. *A Survey of the Woman Problem* (Trans. by Herman Scheffauer). Pp. ix, 275. Price, \$1.50. New York: George H. Doran Company, 1913.

In this volume, the author makes an important contribution to the literature of the subject. She concedes that the woman's movement has a threefold basis: economic, social and ethical-psychological, but is inclined to discount the importance of the economic influence and deprecates its usual overemphasis. The social sides of the question are dealt with slightly, but by far the greatest part of the discussion is devoted to the psychological side of the woman problem. "Historically," says Miss Mayreder, "it has an idealistic origin."

Beginning with the question of sex and feminine psychology, the author enumerates and discusses varying conceptions of femininity, including those of Lombroso, Havelock Ellis, Heine, Lecky, Kingsley, Schopenhauer, Weininger, etc. Then follows a presentation of the idealistic as well as the biologic aspect of motherhood and culture, and then discussions of masculinity; average, ideal and normal feminine types; modern literature as limited by the necessity of maintaining the fiction of feminine innocence; and the subjective fetich of sex as a stumbling block in the development of feminine psychology.

The style of the book is slightly involved, but this is an almost inevitable result of translation. The book repays a careful reading, and is full of new suggestions for anyone seriously interested in the subject.

MECKLIN, JOHN M. *Democracy and Race Friction*. Pp. xi, 273. Price, \$1.25. New York: The Macmillan Company, 1914.

The author, now professor of philosophy in the University of Pittsburgh, long lived in the South. It is his thesis that it may be impossible to classify races as higher or lower on the basis of existing evidence, but that it is folly to fail to recognize the existence of differences. These differences coupled with the different social ideals and horizon put the mass of the negroes in one world, the whites in another. No law can overcome such contrasts. Race antipathy, therefore, forces working adjustments based not upon ideal grounds but on practical considerations. There can be no real democracy between two widely separated groups even though they live in one country. There are but three conceivable adjustments: (1) maintain an artificial equality; (2) develop a caste system; (3) "to accept the situation as it is, with all the complications arising from segregation and race antipathy, and to insist upon a stern, even-handed justice based upon equality of consideration." This last,

Dr. Meeklin considers the only possible solution which will bring its own rewards in progressive civilization in spite of the great difficulties in the way of realization.

The volume is well-written, in excellent spirit and is optimistic in tone.

MICHAELS, ROBERT. *Sexual Ethics*. Pp. xv, 296. Price, \$1.50. New York: Charles Scribner's Sons, 1914.

This is a real contribution to the scientific handling of a much avoided but highly important question. In range and thoroughness of treatment, in openness and sincerity of statement, as well as in fineness of feeling and delicacy of expression, it would not be easy to find a superior treatise.

MORLEY, JOHN. *On Politics and History*. Pp. 201. Price, \$1. New York: The Macmillan Company, 1914.

This volume is an amplified and recast version of an address delivered by the author as chancellor of the University of Manchester in the summer of 1912. With the penetration and force characteristic of Lord Morley, he reviews the range and methods of history and political science. His object is to show the need of a large reserve of critical, thoughtful, and practical men and women as actors and writers if political ideals are to be brought into closer touch with fact. If popular government is to attain its best ends, systematization of political thinking is more necessary than the manufacture of new experimental devices.

PEEL, HON. GEORGE. *The Reign of Sir Edward Carson*. Pp. xi, 240. Price, 2/6. London: P. S. King & Son, 1914.

Mr. Peel has given an informing and timely account of the civil and military program of the great Ulster leader from his acquired ascendancy in 1911 to almost the present time. Two chapters are given to the forces and methods of training of the Ulster army and the plans for English and colonial forces to coöperate with it. Three chapters recount how Carson obtained his power, and its development up to July, 1913.

Three other chapters discuss the relations between church and state in Ulster, the principles of the provisional government, and the causes which have led up to the threat of civil war. The final chapters estimate the prospect of the execution of the threat. The book is written from the Constitutionalist viewpoint, and voices the belief that British people will uphold the Constitution regardless of the well drilled forces of the Ulsterites and the pledged support of the Unionist party.

There is a brief index.

RACINE, SAMUEL F. *Graded Corporation Problems*. Price, \$1.25; *Guide to the Study of Auditing*. Pp. 63. Price, \$1. Seattle: Western Institute of Accounting, Commerce and Finance, 1914.

Graded Corporation Problems is a collection of some fifty problems selected from C. P. A. examinations. Each problem is accompanied by a blank page for the solution. This rather novel arrangement may appeal to some teachers.

Neither notes nor solutions are given; and this may be a welcome or unwelcome failing, according to the point of view. Problems illustrating mercantile, mining, and manufacturing accounting are numerous, and the different principles governing these subjects are abundantly illustrated. A noticeable defect is the absence of problems on cost accounting, which the title of the book would not seem to exclude.

Mr. Racine's *Guide to the Study of Auditing* is one of those compilations of a rather mechanical character which, although not deserving a place among books of originality or lasting importance, may be of considerable aid to the student of auditing. Montgomery's well-known work on *Auditing: Theory and Practice* forms the subject matter, and in most instances the questions are aptly chosen. Sometimes, however, important paragraphs are entirely ignored. In all cases Montgomery's book must be made the basis of study and Racine's should be used for supplementary purposes. Other works are sometimes referred to, chiefly those of the author. As an aid in reviewing, this guide will probably be found of most value.

RUSSELL, W. S. C. *Iceland: A Horseback Trip through Saga Land.* Pp. 314. Price \$2. Boston: Richard G. Badger, 1914.

Iceland is a country that should interest the person to whom human geography or the development of peoples is a study. This land of 40,000 square miles and 80,000 people is unique in that it has no story of primitive man, and was settled nearly twelve centuries ago by the pick of the earth—a large party of Norse nobles who chose emigration to this far wild rather than submission to a conqueror of Norway. For a thousand years they have lived almost undisturbed in a land where their only agricultural crop is hay. They are today virtually a self-governing republic. Mr. Russell, of Springfield, Mass., is quite sure that the world needs to know much more than it does of the island, on account of the value of its history, the charm of its landscape, and the interesting inhabitants. After four summers of travel, he has written this book, which is almost a Baedaker combined with a personal narrative of journeyings among the people and the beautiful scenery.

SELIGMAN, EDWIN A. R. *The Income Tax.* (Revised and enlarged.) Pp. xi, 743. Price, \$3. New York: The Macmillan Company, 1914.

This edition includes an entirely new chapter on the federal income tax of 1913 and in the discussion of state income taxes space has been given for a description and analysis of the Wisconsin income tax law of 1911. The bibliography has been enlarged and additions have been introduced in various places throughout the volume.

Professor Seligman finds that the yield from the Wisconsin income tax does not in many counties produce as much revenue as the former personal property tax. Although an improvement over similar laws because of its centralization of administration in the hands of a state tax commission and because of the introduction of the principle of stoppage at the source, experience in Wisconsin does not convince him of the wisdom of a state income tax.

His analysis of the new federal income tax leads him to pronounce it "an intelligent and well considered effort which needs amendment only in detail." Its defects are its failure to distinguish between the rate on earned and unearned incomes and "to introduce proper administrative methods as far as ordinary business incomes are concerned."

SHEPHERD, WILLIAM R. *Latin America*. Pp. viii, 256. Price, 50 cents. New York: Henry Holt and Company, 1914.

Through the preparation of this little book Professor Shepherd has rendered a real service to his countrymen as well as to the people of Latin America. He has shown rare ability in condensing into small space the historical facts necessary to an appreciation of the social and political development of the countries of South and Central America. This is just the kind of book that will be read by large numbers of persons to whom the southern continent has hitherto been "tierra incognita."

The book is divided into two parts: part one, dealing with colonial conditions, and part two with the period of independent national existence. In part two the author reviews briefly the industrial, commercial, social and literary development of the leading countries.

VEBLEN, THORSTEIN. *The Instinct of Workmanship*. Pp. ix, 355. Price, \$1.50. New York: The Macmillan Company, 1914.

VEDDER, HENRY C. *The Reformation in Germany*. Pp. xlix, 466. Price, \$3. New York: The Macmillan Company, 1914.

VERHOEFF, MARY. *The Kentucky Mountains—Transportation and Commerce, 1750-1911*. Pp. xviii, 208. Price, \$5. Louisville: John P. Morton and Company.

The sub-title says the book is "a study in the Economic History of a Coal-field." It is the twenty-sixth publication of a Louisville Historical Society, and the first to be done by a woman. Possibly the desire to vindicate her sex helps to explain the great pains and care that appear to have marked the preparation of a very scholarly piece of work.

The author brings to the work an appreciation of economics, a knowledge of geology and geography which are so often lacking in attempts at history. One-fourth of the text is devoted to an excellent account of the people and the environment that so ruthlessly shapes their life. She makes it plain that we are dealing with a problem of over-population under the given conditions. The rest of the book, which is sumptuously printed, but paper bound, gives the history of road-making, road enterprises, and particular routes in the Kentucky Mountains from the beginning of white settlement.

There are pages of references and extensive foot notes made up of well-chosen quotations from the sources.

WOOLF, C. N. *Bartolus of Sassoferrato*. Pp. xxiv, 414. Price \$2.50. New York: G. P. Putnam's Sons, 1913.

In this essay, which was awarded the Thirlwall prize, Mr. Woolf deals only with the position of Bartolus in the history of mediaeval political thought. The political theories of Bartolus are found chiefly in scattered statements throughout his *Commentaries*, and Mr. Woolf's principal contribution is a systematic exposition and explanation of these theories. He has also analyzed the arguments of several contemporary (or nearly contemporary) German, Italian, and French political thinkers and publicists for the purpose of contrasting the lawyers' viewpoint with theirs. Mr. Woolf's style is somewhat labored, and the lengthy Latin extracts with which he crowds his text may try the patience of the average reader, but the book contains much of solid value for the student interested in mediaeval theories of the empire.

WRIGHT, SIR ROBERT S., and HOBHOUSE, RT. HON. HENRY. *An outline of Local Government and Local Taxation*. Pp. vii, 211. Price, 7/6. London: Sweet & Maxwell, Ltd., 1914.

This is the fourth edition of the admirable work originally published in 1884. The very complete analysis of local government and local taxation in England and Wales has been brought down to date by the insertion of numerous changes, the most important being the revision of the chapters on small holdings and working-class dwellings. Part III dealing with local finance has also been rewritten and all statistics and figures throughout the book have been brought down to date.

REVIEWS

CABOT, RICHARD C. *What Men Live By*. Pp. xxi, 341. Price, \$1.50. Boston: Houghton, Mifflin Company, 1914.

This volume is not an essay upon the nature of man, but rather a series of reflections upon certain fundamental aspects of life. The comments are never superficial and often are keen and profound, many being stated in epigrammatic form. Work, play, love, worship are the four main divisions.

The joy of work, creative work with real goal and purpose, is emphasized. "Good thinking feels its way by action. Good manual work is full of thought. . . . If we find a job where we can be of use, we are hitched to the star of the world, and move with it."

Play is as necessary as work: "we have come to recognize that morality need not be dull, and what is more, that it must be sometimes playful. . . . Art and play, then, fulfill the same function, provide us the same refreshment. . . . Play is at least one-quarter of life and love another quarter." We cannot all be artists, but we can all play. That play is best in which there is the most stimulus, the most give and take.

The love that stimulates the first forms of personality is that which is valuable and enduring. When impersonality enters, love is degraded and character debauched.

"Worship renews the spirit as sleep renews the body." We are tempted

to confuse the fragments of experience we have with the whole truth. We must get out of our own courses and see the larger world. "Your soul and mine are parts of God. We forget this. Prayer reminds us. . . . Whoever 'craves a particular commodity,' unconditionally and without consulting, as well as he can, the interests of all concerned, is not praying. . . . The forgiveness of sin is perhaps the whole of the *answer to prayer*, its all-inclusive result."

Such a volume is almost impossible of review. One can but sketch the fields covered. It deserves careful attention and will be a constant source of joy and pleasure to him who reads it.

CARL KELSEY.

University of Pennsylvania.

GUYOT, YVES. *Where and Why Public Ownership Has Failed.* Pp. ix, 459. Price, \$1.50. New York: The Macmillan Company, 1914.

This book presents a mass of facts and figures relating to public ownership and operation. Among the topics covered are: the municipal activity of the United Kingdom, the United States, Germany, Russia, France, Austria-Hungary, Italy, Denmark, Switzerland, Netherlands, Belgium and Sweden; government monopolies; state operation of railways; state and municipal employment; state and municipal bookkeeping and finance; state insurance; and the housing of the working classes.

The conclusions of the author are unfavorable to public ownership. It is not his fault, he claims, that he cannot affirm that government and municipal undertakings are efficient; he has not found them so. In vain has he sought for the benefit arising from public operation, and he is forced in an unbiased survey of the subject to testify to the harm which has resulted.

In view of the author's estimate of human nature, it is not to be wondered at that he should have arrived at such a conclusion. Service to mankind plays no part in his political philosophy. There are, he states, "only three main-springs of human action—compulsion, bribery, and instinct for personal gain." "Every group of employees at the present day is working, not for the sake of service, but for gain." That the men in charge of government and municipal enterprises may be actuated by a desire to serve their fellow-men he denies. Will a proposed undertaking fill a long-felt want? To statesmen that is a secondary question. "The first consideration is what will make the broadest appeal to the popular prejudices and sympathies of the moment."

Our author, being convinced of the failure of public ownership, has no difficulty in finding instances to prove his point, as there is much to be said against public ownership. But there is also much to be said in favor of public ownership. This subject is clearly one calling for a careful weighing of the pros and cons. The author, however, presents only the dark side of the picture. He refuses to say a good word even for the Prussian state railways, and in his criticism of this system relies on the statements of men whose reputation as scholarly investigators is not at all enviable. It would be too much, therefore, to say that the book represents an unbiased survey of the situation.

ELIOT JONES.

State University of Iowa.

HOAG, CLARENCE G. *A Theory of Interest*. Pp. xi, 228. Price, \$1.50. New York: The Macmillan Company, 1914.

The author of this book lays great stress on his assertion that as a preliminary to the solution of the interest problem, the principal must be defined. "No one has quite solved the interest problem who has not fully explained just what it is that men discount when, as we say carelessly, they discount 'future goods' or 'future services.'—What is the principal? Two lots of goods or services, one of an earlier time and the other of a later—so much is obvious. It is obvious also that the two lots are conceived to be in some sense equal. But in what sense?" Mr. Hoag denies that they are equal in "kind and number," or in the amount of pleasure, or reduction of pain, that they afford any particular person or group of persons. "Finally, then," he asks, "are the two lots constituting the principal to be conceived as equal in value?" Yes, if we define value in a particular sense (pp. 7-10). The next step, therefore, is to define value: "The *value* of anything is the amount of somebody's pleasure that is dependent on it, expressed as an attribute of the thing" (p. 15). In the words "somebody's pleasure" lurks the author's peculiar conception of value. He distinguishes two kinds of value, *market* and *nominal*. Market value, in its subjective aspect, refers to particular persons who constitute a market at a specified time (pp. 16, 17). Nominal value refers to a "changing market," a changing group of buyers and sellers (p. 19). "Its subjective factor, instead of being that of the particular persons constituting a market at a specified time, is that of whatever persons may constitute it at two or more different times" (p. 17). This concept of nominal value solves the unanswered question as to the nature of the principal. It is in "nominal" value that the two lots of goods or services, "present goods" and "future goods," are equal. "It is to the market of the *time at hand* in each case that the two lots are equal. The market of the later time is that of the 'same society,' in a sense, just as the American nation of 1900 is the 'same nation,' in a sense, in 1913, but in another sense it is not the same" (p. 18).

This concept of nominal value is a fundamental part of Mr. Hoag's theory of interest, as well as of his definition of the principal. He calls his interest theory *the nominal value theory* (preface, p. x). "If men conceived the principal in terms of equality to the advancee instead of in terms of equality to the market of the passing time, the phenomenon we know as interest would not appear at all. Now adopt that conception of the principal, that of services constant in nominal value, that is, constant in value to the market of the kaleidoscopic society that changes with each moment of the passing time. Once that conception of the principal is held again, the surplus again emerges" (p. 76).

The title of chapter four, interest as a price, gives the key to the author's solution of the interest problem. The marginal utility theory, which makes price the equilibrium between subjective "value" and subjective "costs," is made to apply to interest, but the thing whose price is interest is not a good or a service, but the postponement of a good or a service,—a three-dimensioned thing, which is geometrically represented by a solid (p. 47). This "three-dimensional thing," Mr. Hoag terms an "advance" (p. 49). The

making of advances to nature, the "locking up of services in the storehouse of nature's causal nexus," results in a gain in nominal value. If this were not so, the locking up of services would be "economically senseless" (p. 62). Rational persons will go on making advances to nature until they reach the point of normal equilibrium between the estimated cost to them of a further advance, and the estimated "value" to them of a further advance (p. 65). Mr. Hoag departs from the ordinary terminology in this part of his book. He drops altogether the word "utility" (p. 14); the "utility curve" becomes merely the "value curve." Though Mr. Hoag is justified in his objection to the word "utility," nevertheless his usage of "value," in this general sense, combined with his usage of the same term in several specific senses, (e.g., "market value," "nominal value,") tends to confuse the reader accustomed to the old terminology, and detracts from the clearness, which, in the main, is one of the virtues of the book.

The essence of the author's interest theory, then, lies in the combination of the marginal utility theory of price, with the concept of nominal value, or value "to the changing market." The theory is demonstrated elaborately, both by algebraic and by geometric methods.

The equilibrium idea of costs and "value" might seem to lay Mr. Hoag open to the charge of being one of the reconcilers of the productivity theory with the discount or time-preference theory,—the "eclectics," as Professor Fetter calls them (*The American Economic Review*, March, 1914, p. 89). Mr. Hoag, however, leaves no doubt as to his stand. He puts himself unqualifiedly in the ranks of the "time-preference" adherents. The true connection, he says, between productivity and the premium which present services command over future services of the same nominal value is this: "productivity, so far from being the cause of the premium is itself caused by the premium. That an additional tool is still 'productive' is due to the fact that particular persons or groups of persons, who are the only agents that could have eliminated the opportunity by making an additional advance to nature, have been prevented from doing so by the fact that present services were more valuable to them than future services of the same nominal value." (p. 148). Mr. Hoag includes Bohm-Bawerk's "technical superiority of present goods," among the productivity and the "fructification" theories which he discards: " 'Future goods' may be used in as long processes of production as 'present goods'; and the fact that, if the processes are of equal length, the product will appear later in the case of the 'future goods' is nothing against the 'future goods,' unless you assume quite all that we are trying to explain" (p. 144).

The author's conclusion in regard to the social problem involved is that interest is as truly "earned income" as are wages (p. 219), and that it appears and persists without the least help from laws (p. 221). The abhorrent creature of government that should be attacked is rent (p. 221). The orthodox single taxers, however, confuse interest with rent. It is unjust to tax the man who has paid for his lot the capitalized value of the future services of the lot. He is receiving interest not rent (p. 222).

Mr. Hoag's book, while not giving a new theory of interest, presents the "time-preference" theory in a somewhat new light. The analysis of the

"principal" is a helpful step in clearing up the problem that is so full of pitfalls. The idea of the "changing market" is fundamentally the same as that which Professor Fetter is striving to convey, when he says that the productivity of an agent has to do with its product in a synchronous relation, while the value-productivity which enables an enterpriser to pay interest is the discount relation, and has to do with two different periods; the relations are in different planes (*The American Economic Review*, March 1914, p. 85). Mr. Hoag's presentation is more intelligible to the ordinary reader.

The masterly handling of English, the clear-cut treatment, and the method of demonstrating a proposition in two or three different ways make Mr. Hoag's book valuable to the student of interest theories. Especially well done are the hundred pages devoted to a critical analysis of interest theories, other than the author's own.

ESTHER L. LITTLE.

Philadelphia.

JOHNSON, STANLEY C. *Emigration from the United Kingdom to North America, 1763-1912*. Pp. xvi, 387. Price, \$2. New York: E. P. Dutton and Company, 1914.

If this book is a fair sample of the doctor's theses presented by the candidates in economics at the University of London, the university is to be congratulated on the calibre of its students. It is a piece of work which shows not only painstaking and careful research, but breadth and clearness of vision. It adds materially to the fund of accurate information so warmly welcomed by students of immigration on both sides of the Atlantic.

The first two chapters are devoted to a historical survey of emigration from the United Kingdom to North America; two periods are distinguished, the first from 1763 to 1815 when no accurate records were kept, and the second from the beginning of official returns in 1815 down to 1912. The latter period was marked by a number of emigration or colonization schemes, and frequent government investigations and commissions. Finally the Emigrants' Information Office was opened in 1886, under government control, to supervise and assist the emigration of British subjects. This has continued to do an increasing business up to the present.

The causes of emigration are found primarily in the great increase in population which marked the early years of the nineteenth century. This underlying cause has been accentuated by a series of agricultural and industrial disturbances or depressions, which have occasioned suffering to larger or smaller groups of workers at different times. In recent years there has been also a considerable number of young people who have left, not because of real suffering but in the hope of bettering themselves. Throughout the entire history of emigration from the United Kingdom, assistance, public and private, official and unofficial, has played a large part. Until the strict selective measures of Canada and the United States put a stop to the practice, it was a favorite means of disposing of undesirable elements in the population to ship them across the sea. Many unfortunate individuals of a worthy character have also been helped.

The abuses connected with the transport of immigrants, and the protective laws which grew out of them, are carefully studied, as are the restrictive measures of the receiving countries. The methods of receiving and distributing immigrants in the two countries are described. The influence of the land systems of both Canada and the United States upon the volume and direction of the immigration stream receives considerable attention. Later chapters take up in greater detail various colonization schemes, and the emigration of women and children. The description of the latter is especially interesting, showing how the transportation of young people of both sexes has been repeatedly undertaken under various auspices, with a degree of success varying with the motives and wisdom of those responsible, and the amount and character of the supervision.

The two closing chapters deal with the value or desirability of emigration, first from the social and economic aspect, and then from the imperial. The author appropriately considers the desirability of emigration from three distinct standpoints, that of the mother country, that of the receiving country, and that of the individual. In each case he finds that there are positive and negative interests, but that in general the former seem to outweigh the latter. The evidence which he adduces with reference to the receiving country seems hardly adequate to bear out this statement, since most of the effects which he mentions, with the exception of the development of industry, are of an undesirable sort. From the imperial point of view he concludes that the wisest policy for England to pursue is the encouragement of what he calls "colonial emigration," as opposed to emigration to other nations, or the prosecution of strictly colonizing schemes.

HENRY PRATT FAIRCHILD.

Yale University.

JONES, CHESTER LLOYD. *Statute Law Making*. Pp. xii, 327. Price, \$2.50. Boston: Boston Book Company.

This book will serve as a useful text for college classes in government and in the study of legislation to which more attention is being given of late. A brief section on limitations on legislative action opens the volume and another not quite so brief on legislative expedients closes it, while the body of the book is given over to the drafting of bills. Here the formalities of drafting such as titles, preambles, enacting clauses, repealing clauses, the language of statutes and amendments constitute the major part of the author's task as he conceives it. This is not the larger view of the new science of legislative drafting as it is being developed in England by Sir Courtenay Ilbert and in a few places in this country by Chamberlain, Beaman, Scott, Parkinson and others who see in the careful analysis of the problems underlying any piece of legislation or legislative proposal, and in the presentation of the alternatives both in the substantive provisions of a proposed statute and in the appropriate administrative measures to secure the enforcement of the standards proposed, as well as the adjustment to the existing law and judicial procedure, the real science and art of the draftsman.

Of this Dr. Jones has little or nothing to say and his book which is a pioneer has missed its greatest opportunity. He follows, on the contrary, both the concept and to a large extent the formal plan of Ashton R. Willard's *A Legislative Handbook* (Boston 1890) which unfortunately is out of print; and perhaps an unconscious service has been rendered to present-day students by the reproduction of so much of Willard's material to whom, however, Dr. Jones owes a larger acknowledgment than he has given.

Dr. Jones's comments on the language of statutes contain his best contribution, and as a manual or for collateral reading the book will be very welcome to many teachers who have so little literature in this field available for their students.

SAMUEL M. LINDSAY.

Columbia University.

LOW, SIDNEY. *The Governance of England*. (Revised and enlarged edition). Pp. xi, 320. Price \$2. New York: G. P. Putnam's Sons, 1914.

This book, although originally published ten years ago, is still, perhaps, the best single volume account of the organization and actual working of the British parliamentary system. The new edition, while containing important changes in the text, is chiefly valuable because of a forty-page introduction in which the author outlines the meaning of some of the changes that have taken place since the first appearance of the book.

While the author expects to see a reorganization of the House of Lords, he believes that the present situation has increased the power of the cabinet at the expense of the electorate, the latter becoming a sort of final court of appeal. He believes that since the removal of the veto power of the House of Lords some method of direct appeal to the people must be developed in order to ascertain whether the cabinet is supported by public opinion. He also argues that the recent reduction of the term of Parliament to five years strengthens the cabinet and makes unlikely general elections save at the expiration of the five-year periods.

Within the cabinet the influence of the Prime Minister is increasing, especially in imperial affairs, many duties in which the cabinet as a whole has little share, being now imposed upon him. The author favors home rule, at least to the theoretical extent of believing in the necessity of creating local assemblies to relieve Parliament of its excessive burdens and to establish some sort of federal system for the empire.

In analyzing the composition of the House of Commons the author points out that the aristocratic element is decreasing, while the group that represents wealth is growing. The chief problem for the future is stated to be the proper adjustment of political and economic interests. In the author's words, "Representative government and modern industrialism have not as yet harmonised the political and economic forces."

RAYMOND GARFIELD GETTELL.

Trinity College, Hartford, Conn.

ORAGE, A. R. *National Guilds: An Enquiry into the Wage-System and the Way Out.* Pp. viii, 370. Price, \$1.60. New York: The Macmillan Company, 1914.

The author divides his study into an analysis of the wage system and a suggested remedy. His conclusion regarding the wage system—a conclusion based largely upon theoretical grounds—is that, “It cannot now be doubted that the commodity theory of labour is at the root of present discontent.” He attacks the wage system on the grounds that it involves two false assumptions: (1) “That labour is a commodity pure and simple; (2) that the seller of labour, having sold, has no kind of economic or social claim to the products of labour.” He avers that, “The unrest that now stirs the pool of the capitalist Siloam is an unconscious protest against the wage system that condemns the great majority of mankind to economic servitude and spiritual prostration.” The argument against the wage system is well made and strong. The plea for a gold system is not so conclusive. The author finds the inspiration for his plea, not in the activity of the Socialists, but of the Syndicalists. While minimizing the value of political action, he writes, “Some experience of Collectivism in action and of political methods as distinct from economic methods was necessary before the mind of the Labour movement could be turned in another direction.” At last, however, the revulsion “was brought about by the impulse known as Syndicalism which, in essence, is the demand of Labour to control its industry.” These points the author makes and makes well, but the reader who looks for a successful demonstration of the contention that the desired end can best be accomplished without political action, will be disappointed in his search.

SCOTT NEARING.

University of Pennsylvania.

OSBORNE, THOMAS MOTT. *Within Prison Walls.* Pp. vii, 327. Price, \$1.50. New York: D. Appleton and Company, 1914.

On September 29, 1913, the author of this volume, who is chairman of the New York State Prison Reform Commission, entered Auburn Prison for a period of one week of voluntary confinement. He was entered as Thomas Brown, No. 33333X and was assigned to cell 15 second tier, north, north wing. The arrangement was made with Warden Rattigan and other prison officials that no special concessions were to be made in favor of the prisoner, but the experiment was not to be kept secret. The plan was carried out completely. Of the nature of this book, which is in the form of a diary-narrative, the author says: “I shall not attempt to draw up any bill of indictment against the prison system, or to suggest specific improvements, either in general principles or administrative details; I shall simply set down the facts and my feelings, as accurately as I can.”

The author does not assume that his feelings and mental experiences were those of the real convict, but his physical experiences were practically identical. The treadmill work, the dehumanizing discipline, the deadening monotony and the physical discomforts are described with the vividness, not of a mere observer, but of one who experienced them, and Mr. Osborne had at least an

opportunity to observe what effect these things were having on the minds of the real prisoners. Of course it was impossible not to inject into his observations his own ideas and feelings about punishment, but for this due allowance must be made.

The result of the experience was to increase the optimism of the author in the reformation of the criminal under conditions conducive to that end—conditions largely lacking in the Auburn system.

It may be observed that Auburn as described is hardly typical of the better class of modern prisons, but there are some that are worse. Changes in prison treatment are rapidly being made for the better and there are few books in the range of prison reform literature better calculated to further this reform. The book is fascinating reading,—the type that one desires to read through before laying it down.

J. P. LICHTENBERGER.

University of Pennsylvania.

REEVES, MRS. PEMBER. *Round about a Pound a Week*. Pp. 231. Price, \$1. New York: The Macmillan Company, 1913.

The author of *Round about a Pound a Week* has made an interesting contribution to the rapidly growing number of intensive standard-of-living studies. The five-year investigation on which this book is based was confined to a small district of London, England, and was apparently carefully prosecuted, although the description in the book does not enable the reader to tell exactly what range of accuracy was maintained.

The book includes chapters on the district, the people, housing, furniture, budgets, food, buying, and family menus. This portion of the work deals directly with the standard-of-living problem. The remainder of the chapters, the poor and marriage, mother's days, the children, and the people who are out of work, deal generally with the economic and social problems so frequently met with in any industrial district.

The American reader is particularly impressed by the congested living and the scanty diet of the families described. Although the immigrants who do the low-paid work in the industrial centers of America live, in many cases, under even worse conditions than those surrounding the lives of the people here described, the general tone of American living standards is distinctly higher than that described in this study. International comparisons are always unsatisfactory, yet the minuteness with which many of the details of of London living are set forth allows the student of American standards to generalize to this extent, that the living conditions of those "round about a pound a week" would be generally regarded in the United States as intolerable.

SCOTT NEARING.

University of Pennsylvania.

SEAGER, H. R. *Principles of Economics: Being a Revision of Introduction to Economics*. Pp. xx, 650. Price, \$2.25. New York: Henry Holt and Company, 1913.

The present volume is the 4th edition of the author's *Introduction to Economics*, which was first published in 1904. During these ten years signifi-

cant changes have taken place in the industrial world and refinement in theory has been in progress. The author, long president of the American Association for Labor Legislation, has given us in this volume the fruit of his valuable experience. Its freshness is wholesome. The plan of the work is still to combine the textbook with the lecture. The whole field of economics is covered in a way that makes the book especially valuable for college classes. It has a new and stronger appeal for adoption by college instructors than the *Introduction* enjoyed.

To point out the changes made in the old volume is the task for the reviewer.

In its revision the subject matter has been brought down to date in every particular. The first chapters dealing with industrial history have fortunately been retained, for a short introduction to economic history is quite essential as preliminary to work in the theoretical subject matter of economics. The chapters on theory have been largely rewritten. From its pedagogical standpoint the subject of value and distribution is full of difficulties. In the present volume the author has quite satisfactorily met the criticisms for his abstractness in the earlier work and has given a happier presentation for students taking introductory courses in the subject.

Revision in policy is indicated by the fact that a maturity of statement is now more apparent than existed before when qualifications to broad statements were neglected. The author has gone to considerable pains to polish the style of presentation, and has improved the chapters by omitting the usual summary statement except where it is quite essential to the grasp of an extended discussion.

The revision of the titles placed in the margin has resulted in increased succinctness. The "references for collateral reading" at the close of each chapter have been carefully and thoroughly revised. The student is thus given the advantage of all the better work of the past few years.

In the third part of the book which deals with the problems of economic reform, the author's experience in the practical field has resulted in the most important revision of the former work. Four new chapters have taken the place of the single chapter on that subject. These chapters are devoted to labor legislation which treats of child and woman labor, the eight-hour day and the minimum wage; profit-sharing and coöperation; social insurance, which covers accidents, illness, old age and unemployment; and socialism. The new governmental policies which are to-day most seriously pressing for solution are clearly and adequately treated. The subject of socialism is developed in a novel and interesting manner. In these four chapters we have a maturity of statement with a lucidity and grasp that are sure to give firmness to the character of the opinions of the students as they complete the subject.

The spirit and the results of the work again emphasize the fact that economics, once "a 'dismal science'"—in the words of the author, "has become a study from which highly optimistic conclusions may be deduced." The author sees little hope for the realization of the socialistic propaganda, because to him the chief means of effecting progress must be "a widening of the function of the state in the direction of further limitations on the rights of property and the more rigid regulation of industries."

The *Principles of Economics* is a very important contribution to contemporary economic literature. No book so admirably fitted for college classes has yet appeared.

LEONARD STOTT BLAKEY.

Dickinson College.

SIEGFRIED, ANDRÉ, *Democracy in New Zealand*. (Trans. by E. V. Burns.) Pp. xxiii, 398. Price, \$1.75. New York: The Macmillan Company, 1914.

There is a gap of ten years between the publication of the French edition of M. Siegfried's work and the publication of this English translation. The facts and figures are therefore somewhat old. But this detracts very little from the value of the work. The real value, as Mr. William Downie Stewart says in his introduction, is in the "profound insight into the spirit and character of the New Zealand democracy, into the constitution of political parties, and into the attitude of New Zealand toward imperial problems."

New Zealand democracy is an interesting admixture of political radicalism of the opportunistic sort with a social attitude toward wealth and station that smacks of the snobbish. The New Zealand people believe that they have an apostolic mission to humanity to point out the path of social progress. Politically they have a contempt for theories. "At heart, they are probably convinced that politics are not as complicated as they have been made out to be, and that a little courage and decision are all that is required to accomplish the reforms of which Europe is so afraid."

On the imperial question, there is a passion for autonomy; but this is combined with a conviction of the greatness and wisdom of England that makes interpretation difficult. The colony is "a spoilt child which never suffers for its sins, for a helping hand is always there to redeem its faults." The situation is one of security without responsibility. In the field of social and industrial legislation, M. Siegfried says that what the New Zealanders most need is "principle, convictions, reasoned beliefs." Serious scientific study must come as a basis of social action.

Part IV, dealing with society and life, is an exceptionally interesting portion of an altogether brilliant work.

R. C. MCCREA.

University of Pennsylvania.

WELLS, H. G. *Social Forces in England and America*. Pp. 415. Price, \$2. New York: Harper and Brothers, 1914.

This book is composed of a number of essays or papers published originally in England under the title *An Englishman Looks at His World*. The broad range of the author's interests is evident from the subjects covered. He discusses such varied topics as the British Empire, labor unrest and social panaceas, the contemporary novel, English education, motherhood, divorce, sociology.

Herein lies the fatal fault of the book, for the author's broad interests lead him into fields of which he is not master and in which he is scarcely at home. He discusses labor unrest, to take but one illustration, with rare in-

sight but is clearly on foreign ground when he comes to the "so-called science of sociology." The laborer, he says, is beginning to think, thanks to board schools and the cheap press, and is becoming aroused from his former apathetic state. "The essential trouble in our growing labor disorder is the profound distrust which has grown up in the minds of the new generation of workers of either the ability or the good faith of the property-owning, ruling and directing class," and the only escape Wells sees from social democracy lies in an *exaltation of the standard of achievement*.

Defining science as classification measurement, he finds that physics and mathematics, for instance, attain practical results by neglecting the differences in individual traits of the unitary substances (atoms) with which they deal, since in the great number of atoms with which those sciences deal individual differences are lost; but sociology, he says, must take cognizance of these individual differences. "It is, upon any hypothesis, no less than an attempt to bring that vast, complex, unique Being, its subject, into clear true relations with the individual intelligence." "Could you take man by the thousand billion, you could generalize about them as you do about atoms; could you take atoms singly, it may be you would find them as individual as your aunts and cousins." This, he states, is the *minority* belief; and it leads one to doubt his judgment of what constitutes science. "The proper and distinctive method," he says, "of sociology . . . is the creation of utopias."

BRUCE D. MUDGETT.

University of Pennsylvania.

WILLIAMSON, J. A. *Maritime Enterprise, 1485-1558*. Pp. 416. Price, \$1. New York: The Macmillan Company, 1913.

Mr. Williamson has undertaken the difficult task of tracing in detail the history of the great transition period in the rise of the English carrying trade. The present work contains much interesting information, and some important episodes in commercial history are related in full for the first time, but the materials are not handled as well as might be expected.

The notable features of the work are: a discussion of the Cabot voyages resulting in the partial rehabilitation of Sebastian Cabot, the account of the downfall of the Hanse, and the history of English voyages to the Mediterranean. The facts are not always new, in connection with the Cabots little new evidence is brought forward, but the analysis is suggestive. There is new material presented on the struggle of the Hansards to maintain their privileges. The antagonism of the merchant adventurers was clearly the controlling factor in England. The crown was not inclined to suppress or curtail existing privileges, but coming under financial obligations to the merchant adventurers as a company and having as advisors men like Gresham and Cecil who were important members, the crown was gradually led into a policy of avowed hostility which was ultimately fatal to the Hanse. There are many references to the woolen industry and to the trade with the Low Countries in finished and unfinished cloth. It is stated that the "light drapery" came into England only in the latter sixteenth century. It is difficult to be certain of the purport of these passages for there were many stages

in the rise of the woolen industry, active growth not merely in the sixteenth century but also in the fifteenth, and the earlier changes were probably more important with reference to trade than Mr. Williamson would suggest. More space might wisely have been given the subject.

The book is concerned with two topics, voyages of discovery and trade with Europe. In its present form, the general arrangement is based on the simple chronological order. The reign of Henry VII is treated in both aspects, and then the period of Henry VIII and his successors. The subject suffers from such a division. There would be a gain in merely rearranging the chapters as they now stand, presenting first the entire discussion of commercial policy and trade with Europe, then the whole account of discovery and exploration. Such an order of presentation would probably have resulted in a slightly different text. The continuity of treatment would have brought into prominence a number of matters that are not given as conspicuous a place as they deserve.

ABBOTT PAYSON USHER.

Cornell University.

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THE LARGER ASPECTS OF THE WOMAN'S MOVEMENT

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Perhaps no presentation of history is so difficult as that which treats of the growth of a new consciousness; but assuming that the historic review, now so universal in the field of social judgment and investigation, is applicable to any current development, I have ventured to apply it to that disturbing manifestation called the "votes-for-women" movement, which at the present moment is not only the centre of hot debate but, unhappily, also of conduct which in the minds of many is most unseemly.

Because I shall need the indulgence of the reader who may kindly follow this review, I will at once recall to his mind the statement of an ironic Englishman that it would be better to be convicted of petty larceny than to be found wanting in historic mindedness.

To begin then with the world-wide aspect of the votes-for-women movement—that there may be nothing more petty about us than the theme itself imposes—it is possible to make certain classifications of underlying trends, which, while not always clear, and sometimes overlapping, are yet international in their manifestations.

First: the movement is obviously a part of that evolutionary conception of self-government which has been slowly developing through the centuries. For the simple reason that self-government must ever be built up anew in relation to changing experiences, its history is largely a record of new human interests which have become the object of governmental action, and of the incorporation into the body politic of the classes representing those interests. As the governing classes have been enlarged by the enfranchisement of one body of men after another, government itself has not only become enriched through new human interests, but at the same time it has become further democratized through the accession of the new classes representing those interests. The two propositions are complementary.

When the middle classes in every country in Europe struggled to wrest governmental power from the exclusive grasp of the nobles,

the existing governments were already concerned with levying tariffs and embargoes, and the merchants insisted, not only that the problems of a rising commerce could not be settled by self interested nobles, but that they themselves must have direct representation before those problems could even be stated intelligently.

When the working men of the nineteenth century, the chartist in England and "the men of forty-eight" in Germany, vigorously demanded the franchise, national parliaments had already begun to regulate the condition of mines and the labor of little children. The working men insisted that they themselves could best represent their own interests, but, at the same time, their very entrance into government increased in volume the pressure of those interests.

In certain aspects, the entrance of women into government differs from former efforts in the extension of the franchise. We recall that the final entrance of the middle class into government was characterized by two dramatic revolutions, one in America and one in France, neither of them without bloodshed. This world-wide entrance into government on the part of women is happily a bloodless one and has been without a semblance of violence save in England where its manifestations are not unlike those of the earlier movement among English workingmen. Throughout those efforts so to change political institutions that they might effectively give expression to the growth of new experiences, the dependence of the political machine for its driving force upon the many varieties of social fuel constantly was made clear. It was, after all, rather an astute statesman who remarked that "What liberty and prosperity depend upon are the souls of men." Certain it is that the phenomenal entrance of woman into governmental responsibilities in the dawn of the twentieth century is co-incident with the consideration by governmental bodies of the basic human interests with which women have traditionally been concerned, quite as the membership of the middle class and that of the working class each in turn followed its own interests and became a part of representative government.

The new demand of women for political enfranchisement comes at a time when unsatisfactory and degraded social conditions are held responsible for so much wretchedness and when the fate of all the unfortunate, the suffering, and the criminal, is daily forced upon woman's attention in painful and intimate ways. At the same

moment, governments all over the world are insisting that it is their function, and theirs alone, so to regulate social and industrial conditions that a desirable citizenship may be secured.

In certain respects the insistence of women for political expression, which characterizes the opening years of the twentieth century, bears an analogy to their industrial experiences in the early part of the nineteenth century, when the textile industries were taken out of private houses and organized as factory enterprises. If women had not followed those old industries into factories, thousands of them would have sat idly at home in empty houses, losing not only the money they had formerly earned but their old occupation as well. It was often considered "unwomanly" for these spinsters to go outside the home in order to use a spindle driven by steam power, possibly because all the queens of polite history, since the days of Penelope, when interrupted by their amours were always languidly engaged with textiles. It is hard to see now how the basic industry of England could have been developed without the thousands of women and girls who in spite of public opprobrium followed their old occupations.

But is it not obvious that, as industrial changes took spinning out of private houses, so political changes are taking out of the home humanitarian activities, not to mention the teaching of children? The aged poor of a community who were formerly cared for in the houses of distant relatives or old neighbors, the sick who were nursed night and day by kindly friends and acquaintances taking turn and turn about, are now housed in large infirmaries and in hospitals built and supported by the tax payers' money. The woman who wishes to be a teacher or a nurse takes her training in public institutions, as she formerly went to the factory to spin, not because she wishes primarily to leave home but because her work has been transferred. As she was helpless, without the franchise, to keep little children from working all night in the early textile mills of Yorkshire, so she is powerless now to regulate the administration of schoolhouse or hospital. A college woman who was recently appointed dietitian for the institutions of Cook County found that the menu in essential respects had not been changed in thirty-two years because it was easier for the county commissioners to copy the old forms upon which the food contracts had been awarded than to make new ones.

Studied from a second aspect, the "votes-for-women" movement is doubtless one result of the fundamental change which is taking place in the conception of politics analogous to the changes in the basic notions in education, criminology, and political economy. Graham Wallas, in his very interesting book *Human Nature in Politics*, points out that, while educators have learned to study child psychology so that teachers understand children rather than manage schools, and that while jurists are ceasing to classify offenders solely on the basis of their crimes and are beginning to regard them as human beings, politicians have not yet learned to apply social psychology to the field of political action. The individual voter is still regarded as a party adjunct, a useful unit for party organization exactly as the old economist long considered the "economic man" as a sort of lone wolf impelled by no other motive than the desire for food. Quite as the science of political economy made little progress until it got rid of that fiction and looked at men as they really exist, each a bundle of complicated and overlapping motives, so politicians are making many blunders because their action is not founded upon the genuine facts of human existence. They have failed to observe how rapidly the materials and methods of political life are changing, that the law courts and legislature are struggling desperately to meet modern demands with conceptions of property and authority and duty founded upon the rude compromises made centuries ago, that there is obvious need for bolder arrangements and interactions in the distribution of employment, education, invention. Such changes can only come about if they are carried on with that same spirit of free thinking and outspoken publication that has won in the field of natural science.

An able man long ago pointed out that the qualities most valuable in an electorate are social sympathies and a sense of justice, then openness and plainness of character, lastly habits of action and a practical knowledge of social misery. Woman's value to the modern states, which constantly are forced to consider social reforms, lies in the fact that statesmen at the present moment are attempting to translate the new social sympathy into political action.

The contemporary efforts to extend the principles of social insurance to illness in several European states, and to control unemployment through national labor exchanges, are not so much social reforms as titanic pieces of social engineering in which the judgment

of women is most necessary. Governmental commissions everywhere take woman's testimony as to legislation for better housing, for public health and education, for the care of dependents, and many other remedial measures, because it is obviously a perilous business to turn over delicate social experiments to men who have remained quite untouched by social compunctions and who have been elected to their legislative position solely upon the old political issues. Certainly under this new conception of politics it is much easier to legislate for those human beings of whose condition the electorate are "vividly aware," to use a favorite phrase of Professor James.

It is not difficult to find instances in which legislators have made themselves a little absurd by ignoring this philosophic postulate. A most advanced German statesman in the reichstag declared recently that it was a reproach to the imperial government that out of two million children born annually in Germany four hundred thousand died during the first twelve months of their existence. He proceeded to instance various reforms which might remedy this, such as better housing, the increase of park areas, the erection of municipal hospitals, the provision for adequate milk supply and many another, but he did not make the very obvious suggestion that the advice of women might be valuable in the care of children less than two years old. Nor did the English Parliament see the connection when they spent an entire evening discussing the propriety of prohibiting the use of a popular brand of flannelette for children's night gowns because so many tenement house babies had been burned to death when lighted candles held by weary mothers came in contact with the inflammable material whose smooth finish had been superinduced by an industrial process in which turpentine was used. The House was hotly divided as to whether the use of wool was absolutely necessary to the health of young children, although the members of the party, advocating "cottonette" as a substitute, were somewhat chagrined when upon consulting their wives at breakfast the next morning they found that the word had been coined in the heat of argument and that there was no such material on the market. During the last presidential election in the United States, when measures of social reform suddenly became the basis of party pledges, many women were pushed into the stream of party politics with a momentum almost as instinctive as that of a mother who springs into the water to

rescue her child. Naturally when women see their social causes, some of them tiny things and new born, about to be turned over to governmental officials, they insist upon an opportunity to help select the men who are to become the protagonists of their most cherished reforms.

Women have discovered that the unrepresented are always liable to be given what they do not need by legislators who wish merely to placate them; a child labor law exempts street trades, the most dangerous of all trades to a child's morals; a law releasing mothers from petty industry that they may rear worthy children provides a pension so inadequate that over-burdened women must continue to neglect their young in order to feed them.

More than one woman, while waiting in the lobby for an opportunity to persuade recalcitrant law-makers in regard to a legislative measure, has had ample time to regret that she had no vote by which to select the men upon whom her social reform had become so absolutely dependent. Such a woman can even recall some cherished project which has been so modified by uninformed legislators during the process of legal enactment that the law finally passed injured the very people it was meant to protect.

The community, for instance, will never be made "vividly aware" of the effects of chronic fatigue upon young working girls or upon children who divert their energy from growth to pasting labels on a box by men whose minds are fixed upon factory management from the point of view of profits. The cultural outlook on life must become as aggressive as the commercial if it hopes to be effective.

The third trend in the feminist movement might be called evolutionary rather than historic, if indeed the two may be separated. In this trend the very earliest stage is doubtless represented by those women of Asia who are making their first struggle against the traditional bondages and customs whose roots creep back into primitive times, and whose efforts are yet in that incipient and unorganized stage which characterized the efforts of western women a hundred years ago. As a whole, this trend is connected with contemporary revolutions carried on by men demanding a direct representation in governments which at present ignore them. The most striking example, perhaps, is Russia, where women have taken an active part in the recently established constitutional government.

Twenty-one of them at the present moment are sitting as members in the Finnish Parliament. Due to that inveterate tendency of revolutionists to incorporate into their program the most advanced features of existing governments, the demand for woman's political representation has reached even Mohammedan countries, such as Persia and Turkey, where it is directly opposed to their religious teaching. Both China and Siam, in spite of eastern customs, have given women a political status in their new constitutions by extending to certain classes of them the right of suffrage.

In contrast to these contemporary revolutions in which women have been recognized are the European revolutions of the nineteenth century in which women also worked side by side with men for a larger democracy, but where they were ignored when the constitutions were finally written. This is clearly seen in such states as Bohemia, Silesia, and Hungary, where women with certain property qualifications are still sending members to Parliament who directly represent their interests. This right of women to vote has survived from the days when the ownership of property was the only basis upon which either men or women were given the franchise. When the vote for men was based upon a broader qualification than that of property, the vote, although it was not extended to other women, was not taken away from the women previously qualified. It was upon such a basis that women a few centuries ago sat in the English Parliament and at this moment are voting upon the same terms as men in the municipal governments of Rangoon and other Indian cities. These surviving votes, representing a stage long past, are a reproach to existing governments which at the present moment are making a greater disparity between the political status of men and women than that which existed three hundred years ago. Whatever the result, in the final adjustment, so long as the revolutions both of the nineteenth and the twentieth century were purely inspirational and doctrinaire, the revolutionists recognized the equality of women. The aftermath was obvious, during the recent election in Chicago, that the women of those nations recently stirred by revolution were the women most eager to utilize the franchise—Bohemian, Polish, and Irish women, and the Italian women whose families had been committed to a new Italy.

The generous moral feeling evoked in a time of revolution, reducing life to its first principles as it were, tends to restore women

to their earlier place in society, somewhat as women regain much of their original social importance in pioneer countries where there is little division of labor. Because good government is not a matter of sex when it means a method of identifying cattle which have become mixed with the neighboring herd or of defending little children from the dangers incident to frontier life, it has evidently been difficult for the pioneer man to withhold political rights from women when government has become more conventional. Such a condition is represented by all of the Australian states, one following another in the granting of the franchise to women until the entire seven are included; by Wyoming which gave suffrage to women in 1869, and by others of the western states in America, and last of all by Alaska. Even the conservative Boers of the early Dutch republics in South Africa had given the right of the franchise to the women who had trekked and fought and ploughed by their sides in the spirit of the early German woman who evoked the admiration of Tacitus. And although the Dutch women had never used the vote, being inhibited by some notion that it was not ladylike, there it was ready at hand until the English inaugurated a more sophisticated rule.

The final impression of a review of this movement we have ventured to consider is of a cause growing, pushing, and developing in all the nations upon the face of the earth, representing new experiences and untrammelled hopes. It is everywhere surprisingly spontaneous and universal. It not only appears simultaneously in various nations in both hemispheres, but manifests itself in widely separated groups within the same nation, embracing the smart set and the hard driven working woman; sometimes the movement is sectarian and dogmatic, at others philosophic and grandiloquent; it may be amorphous and sporadic, or carefully organized and consciously directed; but it is always vital and is constantly becoming more widespread.

WOMAN'S PLACE IN THE NEW CIVILIZATION

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The position which any group of individuals holds in society at any time depends upon two factors, the qualities which actually belong to the group, and the ideas concerning the group which are current at the time. Of these two, the actual physical and subjective qualities, which may conveniently be called the biological conditions, are much the more important. They are always hard to determine, but they are very persistent, and since they represent the facts of life, they are very powerful. They change very slowly, and if at any time the public ideas do not agree with them, then the ideas must change no matter how logical nor how well established they may be.

But ideas are also very powerful in, at least temporarily, determining social position, whether they agree with the physical and subjective facts of the class or not. In the past, they have exalted priesthoods, good or bad; they have enforced slavery, sometimes on inferior people, as the black race, and sometimes on superior people, as when Rome enslaved Greece. These ideas also change slowly; but in the case of industrial or military revolutions they may move with amazing rapidity. Thus in the case of American slavery, a change in dominant ideas transformed the blacks from chattels to equal citizenship in a few brief days, during which there could have been no appreciable change in their physical and mental qualities.

From this it is clear that the ideas must often have little correspondence with the actual qualities of the class whose position they determine. Ideas must, of course, have a cause; but once shaped in language, they may survive long after the conditions which created them have ceased to exist; or they may be carried over seas and grafted on alien people, under conditions where they would never have arisen. Backed by superstitions, religious sanctions, and most of all by long usage, they may come to be so ardently believed that the actual facts cannot be discerned; and they may

even become an end in themselves so that people may fight for their preservation, even when they feel that they no longer fit the facts of life. The English peerage, with its monopoly of votes, land, wealth, and hereditary privileges, is still upheld by the masses of the English people.

In judging of the position of women, the difficulties already mentioned are increased by the fact that in matters of sex the emotions generally lead the mind and obscure its action; and, besides this, any change in our beliefs or practices concerning women will disturb the vested interests and the daily adjustments of life of almost every man and woman alive. It is not to be wondered at, then, that our knowledge of the biological facts of sex is so limited; nor is it surprising that old ideas and new ideas are inextricably mixed; nor that in such a time of transition ideas are seldom brought to the test of the biological and psychological facts which we do possess.

For about forty years the physical and mental qualities of women have been subjected to careful analysis, in some cases with very little prejudice on the part of observers. To summarize these briefly, we may say: Women are shorter and lighter in weight than men. They are narrower at the shoulders than men and broader at the hips; man tapers from the shoulders downward while woman tapers from the hips upward to the shoulders and downward to the feet. She is longer in the body than man and shorter in the legs and arms; her leverage in both arms and legs is shorter than in men. Men are built on lines of movement more than women are, and in most of our athletic contests men's records are from a third to a half superior to those made by women. From the point of view of resistance, woman's general structure, considered from the point of view of her potential or actual motherhood, makes her less capable of standing and lifting for a considerable period than a man is.

In civilized communities, from 1 to 2 per cent more boys than girls are born, and the girls seem less subject to variation than the boys. Following Geddes and Thompson, we may say that women are anabolic; they gather and shape the forces of life; they are its conservers. Men, on the other hand, are katabolic; they tend to distribute and dissipate the forces of life; they are its destroyers. To put it differently, women are more passive than men; and men are more active on the physical side than women are.

The nervous system in the two sexes, compared with the general physical bulk, is almost the same in size; and of its qualitative differences we know nothing. No biologist can tell from a section of the brain whether it is that of a man or a woman. While each sex can probably do any intellectual work which the other can do, women are more emotional than men and reach conclusions by shorter routes. Men are more labored in their subjective processes; and they care more for logic and science than women do. The intellectual interests of women seem at present strongly personal and concrete, while men are more devoted to impersonal and abstract problems.

It is also recognized that a woman's life is more subject to periodicities than is that of a man. Not only is she subject to interruptions due to her potential motherhood but, if she becomes a wife and mother, her whole life breaks into three segments of about equal length. The first third, the period of girlhood and maidenhood, must be given to preparation for life; the next third, up to the age of forty-five or fifty, gathers around the problems of maternity and the family, and may be called the romantic period; the third part, from fifty to seventy-five has been largely wasted in the past, and promises to be one of the best periods in the future.

If we turn now to the ideas that determine woman's position, we find them in utter confusion. Until about 1870, they were pretty clearly established and they can be summed up in the statement that woman was man's inferior, physically and mentally. Her spiritual insight and her higher moral ideals were often recognized; but her proper social position was believed to be half way between that of a child and a man. Judaic-Christianity was largely responsible for this belief in Christendom. In both Judaism and Christianity, the heavenly hierarchy was purely patriarchal; and in the story of creation, Eve overwhelmed the race in ruin and brought suspicion on all her daughters, which even the promise that her seed should bruise the serpent's head could not dispel.

Early Christianity in its revolt against pagan sensuality developed an ascetic attitude towards life which recognized woman as the dangerous ally of evil. The fact that Jesus never married, that he had no children, and that he chose men alone as his active co-workers, backed by the Jewish attitude of Paul, gave women a subordinate place in the early Christian Church. The Patristic

writings exalted celibacy and placed the whole sexual life under a cloud of suspicion. Even the rise of Maryolatry, with its subsequent developments in chivalry, could not restore woman to her pagan freedom, but created for her instead a mingled ideal of nun, lady and woman.

Created from man, as an afterthought, woman was naturally inferior to her lord and dependent on him for protection and support. Legally and politically she was identified with her father, her brother, her husband or, if she survived all these, then with her grown son. These men spoke for her in church or in public; they recognized her natural curiosity and, suspecting her use of knowledge, they kept it from her. They provided her with work, collected her wages, and doled out her spending money. Her sexual life was dependent on the accidents of marriage, and she could not seek this realization but must wait demurely until some proper man sought her hand. If no suitor came wooing, she must live her life vicariously as best she could as maiden aunt or cousin.

This is a broad statement of the ideas which fixed woman's position in society in the past. Here and there a woman escaped through superior ability, or more often through the accident of having a radical father or no male relative to represent her, and then she ate of the tree of knowledge, managed her own property, and sometimes even governed a realm. But nearly all the women in Christendom not only meekly accepted their fate but also saw to it that other women kept within their assigned limits.

By 1870, the general democratic movement, as voiced in the Protestant Revolution and the French and American Revolutions, reached down to the woman's world. Mechanical inventions, together with larger political and social vision, disturbed the woman's older position in the self-contained home and forced her out into the larger world. Since then, women, and their sympathizers among men, have developed a whole range of new ideas concerning woman's relation to the society of which she is a part. They have declared that the individual man or woman is the unit of which society is composed, and that society can only be strong when each of these units is strong. They have declared that women's minds are equal to men's minds and that they can do any of the intellectual tasks which men have mastered. They have said that women can adapt themselves to the performance of any of the industries which men

formerly held as their own fields. They have insisted that women owe it to themselves and to society to become economically independent; and that women should be legally and politically emancipated from man's direction. Some of the bolder spirits have even held that a woman who wants a child, and can support it, has a right to choose its father where she will.

Out of this chaos of ideas, old and new, has emerged a new society; or at least the old order is broken up. In forty years, women have taken over education as their special function, excepting some of the best paid administrative positions and the highest reaches of teaching in the high schools, colleges and universities. Aided by the industrial revolution or driven by it, 8,000,000 women are now independent wage earners in the United States. Legal enactments have put them on a basis of economic equality with men so that they sell their services where they can, collect their own wages, and spend their money as they like. Three million women now have full suffrage in the United States, and the others will soon possess it. Meantime, they have their own clubs, enrolling more than a million women, their special activities and their special pleasures. They have won all this in open competition with men, though often aided by them; and few have stopped to ask if the new functions are in accordance with the basal physical and mental facts with which they must agree if they are to become permanent.

Let us examine some of these conquests from the point of view of woman's essential qualities and in the light of what we have learned during the last forty years. In formal education women have modelled their work directly on that built up for men, and by men, through the selective processes of hundreds of years. Below the college, nearly all our schools are co-educational, and boys and girls do the same work in the same way; even when the sexes are separated the courses of study that are offered are almost identical. Many of the colleges are co-educational; and those devoted exclusively to women, such as Wellesley, Vassar, Bryn Mawr and Smith, are less inclined to change the old curriculum than are the corresponding colleges devoted exclusively to men.

Under these conditions, women have demonstrated their ability to do all the exercises set for men; they have taken their fair share of honors; and last year they took 42 per cent of the A.B. degrees in American colleges and universities. There is no clear proof that

women's health has suffered from the strain of higher education. Today, 80 per cent of the teachers in America are women; and the more intelligent the community the larger is the percentage of women teachers. In states like Massachusetts, and in all of our American cities, there are hardly any men teaching in the elementary grades.

But students of biology and psychology are still agreed that there are essential differences in the minds of men and women, and students of education generally admit that our present education is developing distinctive marks of woman's leadership. There can be no doubt that, at least in the elementary grades, where woman's influence is predominant, we are doing admirable work in reading, story telling, biography, mythology and language work as a whole. On the other hand, nature study and the sciences in general have made almost no progress in the last twenty years, if one considers the country at large; and this notwithstanding the fact that our civilization has been predominately scientific since 1870. In the higher institutions of learning, women students are in the majority in the courses devoted to literature and to the general humanities while comparatively few of them are found in the sciences or in subjects resting on scientific bases, like engineering and architecture. No proof of these assertions can be offered in this place, but they seem clearly capable of demonstration.

If this is true, then it would seem that instead of feminizing an education devised by men, for men, thus making a bastard product fitting neither sex, it would be better to turn woman's education more in the direction of woman's qualities thus developing two normal and supplementary parts of our possible civilization. Let us admit that women have demonstrated their ability to do all the intellectual gymnastics devised for men, and then let us go on to find the supplementary values which each sex can offer in education. The two fields will overlap in a hundred directions, and women of a masculine type can still work exclusively in the fields mainly worked by men, while men of feminine qualities can work in the women's field.

On the side of industry, again, women have shown great ability in adapting themselves to varied occupations. And yet we are finding that long standing and lifting are very bad for women, and men and women alike agree in providing seats for women clerks, in forbidding night work for women, and in shortening their hours. Legis-

lation designed to protect women from excessive strain will automatically close some line of work to them while others, like mining and iron manufacturing, will remain closed. Women will not go back to their old occupations, for many of these have ceased to exist; all occupations are destined to undergo many changes in the future as public consciousness comes to recognize the fact that mere bulk of products can never justify us in destroying those who work.

Just where the line of separation between work for men and work for women will finally be drawn no one can now foresee. Probably there will remain here, as in education, a large common field. But meantime all earnest and fair-minded men and women should set themselves to finding what women can best do of all the work that stands open to workers in the modern industrial field. Young girls should be headed away from occupations that seriously threaten their fullest physical life; and we should work here, as in the field of education, for a complementary adjustment of work where men and women would seldom enter into competition.

On the political side, the same conditions confront us. Independent working women, having a legal right to their earnings, must be given a fair share in determining how the public life shall be directed. But here again women, as the makers of homes and the mothers of children, must have more interest than men have hitherto shown in all that comes under the heading of social legislation. On the other hand, they doubtless have less interest than men in matters of administration, finance, and defense; but we have too long had a one-sided administration of public life. Women will bring great gifts to the public service, and these gifts will be of greatest value where they are supplementary to men's natural interests. A large range of public activities will again overlap, and some men and some women will function mainly in the camps of the opposite sex. The effort, meantime, must be to call out the special gifts of both men and women rather than to have them compete with each other in a world representing only one part of our human interests.

In the field of woman's personal and social relations the changes during these last years have been very much less sweeping than in the other fields already discussed. A woman teacher, or stenographer, who has enjoyed all the educational advantages of men, who votes, and who has achieved such economic independence that she

not only supports herself but also those who are dependent on her, still lives in a world of social ideas and limitations only a little less restricted than that in which her mother lived. If she goes to a state convention of her profession she preferably goes with some other woman; if she stays at a hotel it is best for her to have some other woman with her. She shuns the hotel lobby and public restaurants and theaters in the evening, especially if she is alone. She hesitates to engage a man in conversation on the opposite side of a public table or on a train, or to invite a male friend to dine at a hotel or to go to a theater with her. And yet a man may do any of these things as naturally as he would ride in a street car, and without giving the matter a second thought. If a woman sinned against social usage, even to the extent of smoking in public, her punishment would be very much more severe than that meted out to a man who committed the same offense.

Admitting that there is something in the natures of men and women that makes man the pursuer and woman at least the seeming pursued, it still remains true that women who accept intellectual, business and political rivalry with men, and who still claim the older social privileges, exemptions and securities of the sex, will have a difficult time in making their personal adjustments. The women who first entered college, or went into business, found they could not stop there, but must go further in the movement for personal freedom. Here and there, we have women who have made their individual adjustments to the new social demands, but most women still claim the social protection of the old order and the personal opportunities of the new. It will require fine discernment and great tact to complete woman's social enfranchisement without seriously impairing those checks and balances built up through long centuries to protect women from the undesired familiarity of men. But this is doubtless the next step to be taken.

To summarize this paper: Women have left their old world and are now wandering in uncharted lands; but they are still both physically and mentally women. This fact will survive even if our present theories and prejudices are all finally forgotten. In the new world which they have entered, the advanced guard of women is mainly competing with men. Since men formerly claimed that they were doing all that needed to be done, women probably had to prove their ability to do man's work before men would let them

do their own. The proof has now been given, and the condition of competition between the sexes, with the sex antagonisms thus engendered, is wasteful and unsatisfactory. But the way has meantime been opened for the next step to be taken, where men and women can work in mutual freedom to determine their reciprocal functions in learning, in industry, in government and in organized society.

THE ECONOMIC BASIS OF FEMINISM

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The term "feminism" has been used in a variety of ways. But generally speaking it seems to be used as a name for the present extensive movement for removing discriminations against woman on the basis of her sex and for placing her entirely or as far as possible on an equality with man.

The economic basis of feminism is obviously one of the most if not the most important aspect of feminism, because its economic basis is more or less fundamental to every other aspect of feminism. This subject involves a great many problems which can be solved only in the course of time, some of them probably not for a long time to come, and in the present transitional stage it is impossible to give a final answer to most of them. I shall attempt, therefore, to state only the more important of these problems, indicating only tentatively a possible solution for some of them.

The more extreme type of feminist seems to assume that woman can, will and should be on an absolute equality with man in every respect. The tendency of this type of feminism is to minimize almost to the point of nullity the differences between man and woman and between the human and social functions of the two sexes. Economically, then, this would mean that woman can, will and should enter every occupation along with man and that she should become economically as independent as man is or is supposed to be. But it is not safe to assume this without careful study of the subject, and such study may indicate that the two sexes cannot be as nearly equal, or, to use a more correct term (for the term equal is question-begging), as nearly alike as this type of feminist seems to assume.

Contrasted with the extreme type of feminist is the extreme type of anti-feminist who emphasizes to an extreme degree the differences between man and woman and consequently the unlikeness which should and must exist in the social position of the two sexes. Economically this would mean that the occupations open to woman

should be few and distinct from those of man and that she should be in the main dependent economically upon man.

In this connection it is important to remember that the terms "economic independence" and "economic dependence" as ordinarily used are rather misleading. In the technical economic sense a person is economically independent who is earning an income in the form of economic goods or money in an economic occupation usually carried on outside of the home and in which he is producing goods which are put on the market and have exchange value. In this sense it is evident that the vast majority of women in the past and a large part of them now are economically dependent. But to a high degree in the past, and to a large extent still, women have been carrying on activities in the home which were economically valuable in the broader social meaning of the term for they were producing goods for home consumption, while in performing the functions of child bearing and rearing they have been performing functions which in the same broad social sense have been of the highest economic value. However, on the one hand, modern economic progress has taken many industries from the home, while, on the other hand, the advance of civilization has led naturally and necessarily to a lowering of the birth rate thus reducing woman's work in the bearing and rearing of children. These changes have lessened greatly the economic functions of woman within the home and have brought into being a relatively large leisure class of parasitic women who are in every sense of the term economically dependent, and a much larger class of women who are partially dependent. These changes are probably the strongest causes of the modern feminist movement because, on the one hand, a few of the more intelligent of the leisure class of women, who are mostly in the middle and upper classes, have become restless in their idleness and have initiated movements for enlarging the political and economic activities of women. On the other hand, these changes have made of serious importance the question of the economic independence of women, for modern civilization must decide whether it can tolerate so large a class of women who are wholly or partially dependent economically, and a part at least of the feminists recognize this problem and are interested in studying it.

Let us consider first to what extent woman is capable of entering all occupations. Physically she is somewhat handicapped as

compared with man. Investigations among European peasants, where the women had as good an opportunity to develop themselves physically as the men, have shown that women are on the average about two-thirds as strong as men. This does not mean that women must therefore be barred out of all occupations requiring physical strength. In most occupations men do not have to work to the limit of their strength, or at any rate have to do so only occasionally, so that in many of these occupations it is entirely possible for women to work with men. This is all the more possible if the work can be so arranged that the excessive strains shall fall upon the men, so that the tasks imposed upon the women shall not exceed their strength. The peasant woman, who works in the fields from early youth beside the boys and men, develops a robust womanhood which is of the utmost value for herself and her progeny. She presents an example which might well be followed by many (especially in this country) who regard it as demeaning for women to do hard physical labor and ungallant of men to require or even to permit it.

If, however, the excessive strains in any occupation are unavoidable for the women, it will bar them from the occupation. This is one of the reasons why women do not go to war. They can be taught to shoot, to ride horses astride, etc., and they can be as patriotic and ferocious as men. But success in war depends to a considerable extent upon the ability to sustain forced marches, to carry heavy loads, to run very fast upon occasion, and to engage in hand-to-hand combats in which sheer physical strength is the decisive factor.

Furthermore, there are occupations which are not beyond woman's physical strength, but in which she is likely to receive injury because of her sexual and reproductive organs.

As a quadruped, the female suffered little handicap because of the functions peculiar to sex, except when actually carrying or nursing the young. But after mankind had learned to stand erect, her support was far from ideal. The bones of the ankle and feet are too small to sustain great weight. A woman's knee is not so well adapted as a man's to form part of a sustaining column. The muscles of the leg, too, have a shorter purchase than a man's, hence the leverage between the trunk and the extremities is less. The strain of support is transferred to the back. Thus any work which requires long standing for a woman is injurious. All the pressure of the body's weight is brought to bear upon a portion where the sex organs and others are crowded together, and produces a dragging feeling above and about the hips. Women

performing such work are especially liable to congestion of all the organs enclosed by the hip bones, because standing and the habit of resting on one leg only cause a narrowing of the hips.¹

These facts indicate that there are certain occupations which women have already entered to a large extent, such as work in factories and in stores, which may be very injurious to them and to their progeny unless the work can be so arranged as to remove these injurious features.

It has been the popular opinion that woman is mentally inferior, or, at least, is not as capable as man, for certain kinds of work. It is true that in certain activities in which she has had plenty of opportunity to achieve, such as art, music and literature, and to a lesser extent in science and philosophy, her achievements have not been as great as those of man. But in other fields the pragmatic test of accomplishment is not a fair one because of the restrictions upon her opportunities. So far as the subject has been studied scientifically, no great mental difference between the sexes has been found which would definitely exclude woman from any specific lines of work, whether or not it be true that man is capable of greater achievements along certain lines.

Looking at the matter from a purely economic point of view, it would then appear that, apart from establishing certain safeguards which would prevent women from undertaking work which would injure them physically, there is no reason for not permitting women to compete with men freely in all kinds of work, both physical and mental. The result would then doubtless be, if we exclude other considerations for the moment, that in some occupations men and women would continue to work together because neither sex would prove to have any superior fitness for it. In other occupations a decided segregation would take place because in each of these occupations one of the sexes would prove to have a superior fitness for it and under free competition would tend to drive out the other. Thus the total amount produced would be increased greatly because all the productive forces would be set to work and would work where most productive. As to which sex would profit most would depend upon which sex proved to be most efficient economically.

¹ R. Malcolm Keir, "Women in Industry," in the *Popular Science Monthly*, October, 1913, p. 376.

It is true that female labor is at present not likely to get a fair return in wages and is very likely to reduce the income of the male laborer as well. But this is due to the existence of a group of exploiters of labor who are ready to seize upon any new supply of labor, whether it be of women, children or newly arrived immigrants, which they can use as a club with which to beat down the wages of labor in general. Female and child labor is of peculiar value to the exploiter for this purpose because many of the women and children have male support which removes them from the pressing struggle for the means of subsistence and enables them to accept less than a living wage. In a more socialized economic system in which the attempt was made to use every productive force in society and to distribute the social income among the producers according to their productive power, work would be provided for every economically productive woman and her remuneration, like that of the male laborer, would be based upon the amount produced by her so far as it could be determined.

The preceding paragraph emphasizes what is illustrated at various points in this article, namely, that the degree and character of female labor must depend largely upon the nature of the general economic organization. The problem of the economic basis of feminism is, therefore, bound up with the larger question of the economic organization of society in general.

But this question as to whether women can enter all occupations as freely as men cannot be determined solely upon considerations which are purely and immediately economic in their character. There are at least three other important factors involved which interfere with the purely economic solution upon the basis of free personal competition. In the first place, the functions of child bearing and child rearing interfere seriously with female labor. In the second place, marital and family unions tend to conflict with the mobility of female labor. In the third place, male gallantry tends to check woman's economic productiveness.

It is obvious that the functions of child bearing and rearing must fall most heavily upon the women. At all times a large part of the women must be partially or wholly disabled by these functions. This means, in the first place, that they must be supported while thus disabled. But it also means, under the present economic and social organization, that the probability of their becom-

ing disabled makes it more difficult for them to enter the economic field, while if they succeed in entering, the disabling, however temporary it may be, throws them out without any assurance usually of being able to reenter later. Under the present system the woman becomes dependent upon a man, usually her husband, and usually continues dependent upon him even after she is no longer disabled. It is true that medical science and social devices for the care of children have greatly lessened the extent to which women are disabled by child bearing and rearing. But under the present system it is bound to remain a serious handicap upon women in the economic world and to force them to become dependent upon the men. Under some other system, as, for example, some form of socialism, where social support would be provided the disabled woman and the assurance of being able to reenter the economic field when capable of doing so, the handicap would be much less. However, the temporary absences would still handicap her somewhat in competition with the men and the women who were not performing the functions of child bearing and rearing.

In most occupations a certain degree of mobility of labor is necessary. In most marital unions both parties to the union are not likely to be engaged in the same kind of work. Or even if they are, they may not succeed in securing work in the same place. So that as long as permanent marital unions are the rule, and this will probably be always, such unions are bound to interfere somewhat with the mobility of labor. The same would be true of any other kind of family union, such as between parents and children. This difficulty is least likely to arise in cities where there are many opportunities to work. But it becomes a serious one in small places where the opportunities to work are not so numerous or so varied as in a city, and may lead either to a break in the union or to one member becoming dependent upon the other.

Inasmuch as up to the present it has been the general rule for the woman to be dependent upon the man, it has usually been easy for the woman to follow the man wherever his work led him. But if women are to become economically independent, this difficulty is bound to arise much more frequently because it will not be so easy for the woman to follow the man. It would then be a question either of breaking the union or of one of them giving up to the other. If the woman's economic interests were greater than those

of the man, he might have to give up to her. And if women generally were more successful economically than men the situation might become reversed and we might see the men usually following the women wherever their work led them. However, owing to the handicaps under which women labor, which have been mentioned, and which tend to make the economic interests of the men more important than those of the women, it is probable that the women will continue usually to follow the men, thus increasing their dependence upon the men. Under a more socialized system an attempt would doubtless be made to provide employment not only for the men but also for those in their families. But under the present system marital and other family unions are certain to conflict with woman's opportunities to secure economic independence, while under the socialized system also it would probably be impossible to eliminate this difficulty entirely.

In the third place, male gallantry will always be somewhat of an obstacle to woman's economic independence and productiveness. This gallantry has its fundamental psychological basis in the tender feelings aroused by the sexual passion. These feelings doubtless exist in many of the other higher animals. They impel the male to watch over and care for the female. In the female there seems to be a corresponding receptive attitude which harmonizes with her more passive sexual nature. The biological value of these characteristics must be obvious enough for they have doubtless played an important part in caring for the female during breeding and in the rearing of the young. This, of course, does not mean that man is never brutal to woman. But his brutality towards woman is probably due in the main to the same brutal feelings and instincts which may make him brutal towards any living being, while so far as he has a peculiar attitude towards woman, it is one of tenderness, especially towards the woman or women with whom he is united by sexual bonds.

It goes without saying that there are certain artificial elements in this gallantry. It would take too long to trace here the historical evolution of the idea of property rights in woman which still influences the man to regard the woman as something belonging to him and for whose maintenance, therefore, he is responsible, or of the subsidiary idea which makes of the quality of his support of his female dependent a measure of his pecuniary ability. Nor have

we space to trace the evolution of the idea bred into the woman that her sex is something of peculiar value which must be bartered for a consideration. This idea still influences most women in their dealings with the other sex all the way from the unions which are most temporary and most explicitly and frankly commercial in their nature to the permanent marital unions in which the bartering is glossed over by a vast mass of social usages and the polite phrases of religion and conventional morality. This idea has been and is still a valuable safeguard for women against having children which would be embarrassing to them and would themselves be in a trying position in society. But this idea is utterly incompatible with the feminist ideal which must involve the idea of the union between members of the two sexes being a mutual affair in which each is giving himself or herself in an equal degree to the other. This idea is very slowly making its way and may sometime become more or less general. But however much this idea may be accepted as an intellectual proposition by both sexes, these tender feelings of the male and the receptive attitude on the part of the female, which are indissoluble concomitants of the fundamental sexual passion, will always lead to a certain amount of care of the female by the male. This will always be somewhat of an obstacle in the way of female economic independence and will always be somewhat of a force for keeping in existence a leisure class of parasitic, unproductive women.

It is true that in woman, also, the sexual passion is connected with tender feelings which impel her to do things for the man towards whom she is attracted. But generally speaking, though with numerous notable exceptions in individual cases, she is impelled to perform personal services such as usually belong within the home and is not likely to go outside of the home to perform services which are not so immediately personal in their character, unless circumstances force her to do so. The man, on the contrary, since the day of the cave-man, partly on account of his superior strength enabling him to hunt and fight, etc., partly on account of the temporary helplessness of the woman due to child bearing and the helplessness of the young, partly in order to win favor in the eyes of the woman in competition with his rivals, but also on account of the gallantry we have described, has at all times gone far afield in his efforts to perform services for the woman.

Another handicap upon woman in the economic struggle, which, though probably less serious than those already discussed, is worthy of note, is that, owing to her valuation of her sexual nature as having peculiar worth and the consequent desirability of bartering it for as high a price as possible, she must devote much attention to her physical appearance. Most economic occupations are so absorbing and so time-consuming that they prevent her from devoting much time to her physical appearance, while many kinds of work are of such a nature as to rob her of the external bloom and other superficial characteristics which are esteemed so highly in the existing male standard of valuation of female charms. If the present social valuation of the female sexual nature changes so that she will no longer be taught to regard it as something to be bartered, and if the male estimation of woman changes so that it will include all of her physique and her mental attainments as well, this handicap upon woman may disappear entirely or in large part, or, at any rate, she will not be handicapped any more than man who will have to compete with his rivals for the favor of woman. But at present it doubtless is somewhat of a handicap upon woman.

In a longer treatment of this subject it would be interesting and valuable to discuss in detail the extent to which women have entered occupations, their success in these occupations, and the position of the women of the working class, of the agricultural class, of the professional class and of the leisure class with respect to this subject. It is evident that the present-day problem of the economic basis of feminism is somewhat different for each of these classes. But we have been able to discuss briefly the economic factors in the rise of the modern feminist movement, the probable result of carrying out fully the feminist ideal of placing woman in the same economic status as man, and some of the obstacles, social and biological in their nature, in the way of the complete attainment of this ideal.

CHANGED IDEALS AND STATUS OF THE FAMILY AND THE PUBLIC ACTIVITIES OF WOMEN

BY GEORGE ELLIOTT HOWARD, PH.D.,

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Probably for every people in each stage of social evolution the typical or basic fact is its prevailing or "working" constitution of the family. By the family constitution is meant, in all its wide implications, the vast complex of relations, internal and external, arising in nature's triad of personalities, the mother, father, and child. The changing quality of these relations is the measure, the yardstick, of social progress. As the ideal of the family rises civilization advances.

The Sacramental Tabu of Matrimony Defeats Social Control

In Europe before the Reformation the conditions were not favorable to the rational and healthy growth of the family constitution. Everywhere among all peoples and in all stages of culture, marriage, divorce, and the other family institutions appear as intensely human products. They are social structures, requiring for their safe development the freest appeal to reason and experience. Yet how often have they become the favorite domain of mysticism, superstition, and sacerdotalism! So it was throughout Christendom under the sway of the canon law. It was most unfortunate for civilization that the Christian conception of the nature of marriage should have sprung from asceticism, and that the verbal subtlety of celibate schoolmen should have produced the cardinal definitions upon which the validity of marriage contracts, and therefore the practical administration of matrimonial law, were made to depend. With regard to institutions upon which in so high a degree the welfare of society rests, anarchy was practically sanctioned by the canon law. Where the utmost clearness and simplicity were needed, obscurity and complexity prevailed; and where publicity was urgently demanded by the plainest rule of common sense, there secrecy was in effect invited and rewarded. Clandestine marriage on an enormous scale was the evil fruit of the canonical theory; divorce, forbidden by the

sacramental dogma, masqueraded in the guise of the decree of nullity of spurious wedlock, often secured by perjury and fraud; while woman, whose spiritual equality with man seems affirmed by the spirit of the New Testament, was denied her full franchise in the family trinity because of theological quibbling regarding her alleged guilt for the "original sin." In a word, the canonists placed the most vital family relations under rigid *tabu* against any rational social or human control.

The Family Set Free as a Social Institution

This *tabu* was lifted by Martin Luther. Under his leadership a fatal blow was struck at the ecclesiastical control of the matrimonial relations. Slowly, almost reluctantly, Luther made up his mind to repudiate the sacramental dogma of wedlock. Marriage, he declared, is a "temporal, worldly thing" which "does not concern the church." This revolt, it is clear, involved a new doctrine of social control, of the function of the state, which is of great interest to the sociologist and the political scientist alike. In principle, by accepting Luther's dictum, marriage, divorce, and family-types are recognized as purely social institutions, to be dealt with freely by men according to human needs. Assuredly no more harmful blunder was ever committed by theological subtlety than the setting apart of marriage as *par excellence* the divine institution. A stumbling block was thus put in the way of social progress. Yet today even after a fruitful half-century's scientific study of society, how many good people still cling to the old teaching! They resent the interference of the bold sociologist with the privileged matrimonial institutions. Fatalism, mob-mind, is still singularly strong in conserving the archaic or traditional ideals of the sexual and marital life.

Reconstruction of the Family Constitution

The recognition of the family as a social institution cleared the way for social control. Civil marriage and civil divorce became inevitable. During four centuries the constitution of the family has been in process of dissolution and reconstruction. At first slowly, later with amazing speed, patriarchalism has yielded to democracy in the household. Throughout the western world secular legislation is being extended practically to the whole province of the domestic

relations. It is a many-sided movement for spiritual liberation through which the mother and child are being recognized as equal personalities in the family trinity and in society. It is a process of individualization for the sake of socialization by which the corporate unity of the patriarchal family is being dissolved or even completely destroyed. More and more wife and child are being set free from the sway of the housefather and placed directly under the larger social control.

The new solidarity of the state is thus being won at the expense of the old solidarity of the family. In fact, the rise of democracy in the household is one of the major results of the general leveling process which is releasing the individual from class, sex, or group-control and constituting him a free and distinct unit of the sovereign authority. Hence the family bond is no longer coercion but persuasion. The tie which holds the members of the family together is ceasing to be juridical and becoming spiritual. More and more the household life is dominated by the social motive and less and less by the carnal or sexual desire as an enduring constitutional force. Essentially the family society is becoming a psychic fact. Beyond question the individualization for the sake of socialization, although attended by some temporary evil, is producing a loftier ideal of the marital union and a more just view of the relative functions of the sexes in the world's work. Immediately, from the very nature of the process, it has inured most to the advantage of the woman. In the family, it is releasing the wife from the husband's hand and making her an even member in the connubial partnership; in the larger society, it is accomplishing her political, economic, and intellectual independence. The liberation of the personalities of the mother and child is immensely widening and hastening the process of socializing human kind.

In the United States this process of reconstructing the family constitution has reached a crisis. Here, in the half-century since the Civil War, the liberation movement has gained its greatest speed. Here the remnants of the old coercive system are swiftly passing. Here woman is boldly vindicating her personality. Here precocious youth is winning "emancipation" often in amazingly tender years. Here the voluntary and state experiments for child-saving, mother-welfare, and for clean social living are many and daring. Here the socialized physician and the socialized clergyman are joining hands

with the household economist and the sociologist in an earnest effort to create better methods of home building and saner ideals of family living. There are distinct signs of an extraordinary awakening of the social consciousness and the social conscience to the cardinal truth that the family, as already defined, is the basic fact in our national life, and hence the dynamic factor which ultimately, for good or ill, must determine the quality of American civilization. Emphatically, with respect to the ideals of the family, we are at the height of the transition from the old régime to the new.

Now, are not the radical changes taking place in the family too precipitate to be safe or enduring? Is not this sudden rise of democracy among its members a serious menace to its stability? The family, it is alleged by some earnest students, is in danger of disintegration through the tendencies to individualism which in so many ways are a striking characteristic of our transition epoch. Social reconstruction is always a costly process. Should reform be too long delayed, the price may be very dear. If the process be revolutionary in its velocity and force, grave mistakes may be made. There will be frequent "mis-selection," wrong choice of ways and means on the part of the social builder.

Hence it is not strange that the changing ideals of the family have brought us face to face with social evils which are proving very hard to overcome; have disclosed social problems that will demand all our wisdom and courage to solve. The question is, are the new ideals worth the cost of their realization? Are the evils which confront us due to social conditions which may be remedied?

Is the Over-parentage of the State a Menace to the Family

Thus the integrity of the family, many believe, is threatened by the rapid expansion of the function of the state as over-parent. Ever in new ways the state is "invading" the family to abridge the parental authority. Elementary education is made compulsory. The state now freely enters the home and, for a considerable portion of the working day during the school years, takes the child out of the parents' hands and entrusts it to the public teacher. The school child's health is looked after through medical inspection, sometimes compulsory; and in various ways public provision is made to prevent the evil effects of poverty and malnutrition. To save the delinquent

child from misery, vice, and crime, it is put in charge of the juvenile court. Because, with increasing light, we have become aware of grave faults in household nurture—faults that have always and everywhere existed—a many-sided movement for child-saving has arisen. Minor children are no longer looked upon as an economic asset, as the absolute property of the father. A legal ban is therefore placed upon child labor. Society forbids the employment of young children in factories, mines, and in various injurious vocations. They may even be removed from home, when cruelly treated or exposed to vicious influences, and placed under nurture of the state. In like spirit, society is intervening for the conservation of motherhood. Through maternal insurance, mother-pensions, and various other forms of protection, the state is undertaking to safeguard the welfare of the race.

Is there any just cause for serious alarm in this remarkable growth of the state's over-parentage? Is it not a phenomenon incident to a transition phase in social progress? Mistakes may occur; the process may be carried to an extreme; but clearly, as a remedy for social evils, the movement is sanctioned by rising ideals of the family welfare. The motive of the state in assuming control of the domestic régime is to overcome the neglect or inability of parents properly to care for the nurture of their children. The destructive influence of the derelict home is one of the most harmful of modern social conditions. Largely this is due to the threatened dissolution of the solidarity of the family through the industrial revolution. With the rise of corporate and machine industry in the place of household industry has come a weakening of the intimacy of home ties. Through the factory and the division of labor the family hearthstone often becomes a mere temporary meeting-place of individual wage-earners. The congestion of population in cities is forcing into being new and lower modes of life. The tenement is destructive of the home. The "lodging-house," the "flat," or the "apartment" does not afford an ideal environment for domestic joys. Publicity in life's functions tends to breed sexual communism. Prostitution flourishes. In the crowded, heterogeneous, and shifting populations of the great towns marriages are often lightly made and as lightly dissolved.

Yet the perils to the family resulting from these causes need not be fatal. Already they are passing away. Urban conditions

are rapidly improving. There is ample reason to believe that with wiser social control the city may soon become a better place in which to live than the country is now. Indeed, a careful investigation has just shown that the health of children in our greatest city is better than that of children in nearby rural districts.¹ At last an intelligent effort is being made to destroy commercialized vice in its sinister alliance with the saloon. The environment of the urban home is thus being cleansed. What if that, after all, the "industrial revolution" should prove a blessing rather than a curse to the workman's family?

The Family as Affected by Woman's Enlarged Activities

The liberation of woman in every one of its aspects profoundly involves the destiny of the family. It signifies in all the larger activities of life the relative individualization of one-half of human kind. This means, of course, a weakening of the solidarity of the family group, so far as its cohesion depends on the remnants of mediaeval marital authority. Will the ultimate dissolution of the family thus become the price of equality and freedom? Or, rather, is it not almost certain that in the more salubrious air of freedom and equality there is being evolved a higher type of the family, knit together by ties—sexual, social, and spiritual—far more enduring than those fostered by the régime of subjection?

It is singular what acute anxiety is felt by adherents of the old order lest woman's new intellectual life should prove disastrous to her physical constitution, unmindful of the fact that even now for the majority of married women the burdens of the orthodox "natural sphere" are far more harmful. The fear that the education of woman, in connection with her growing economic independence, will prove injurious to society through her refusal of matrimony or maternity seems equally groundless. If some educated women are refusing maternity, some educated men likewise are shunning the responsibility of paternity. Although in the United States the marriage rate is rising, the birth rate is falling. The average family

¹ See the *Preliminary Statement* by Dr. Thomas D. Wood, chairman of the committee on health problems of the National Council of Education (1914), comparing 287,469 children of New York City with 294,427 children in 1,831 rural districts of Pennsylvania.

is becoming smaller and smaller. So far as this depends upon male sensuality and venereal disease, a major cause of sterility; upon selfish love of ease and luxury—of which men even more than women are guilty; or upon the disastrous influence of the present extremes of wealth and poverty—of which women as well as men are the victims—it is a serious evil which may well cause us anxiety; but so far as it is the result of the desire for fewer but better-born children—for which, let us hope, the advancing culture of woman may in part be responsible—it is in fact a positive social good. In both Europe and America, the average span of human life has more than doubled since Shakespeare's day. Decidedly the real race suicide consists, not in a falling birth rate, whatever the cause may be, but in a high death-rate due to preventable causes. Another tendency is equally misunderstood. The marriage age is rising. Men as well as women are marrying later and later in life. Here again, for the reasons just mentioned, the results are both good and bad, but probably with a net gain for the social welfare. Certain it is that immature marriages and excessive child-bearing are twin causes of much injury to the human race.

Educated women are not shunning marriage or maternity; but they are declining to view matrimony as a profession, as their sole vocation, or to become merely child-bearing animals. Let us not worry about the destiny of college women. It is simply wrong wedlock which they are avoiding. They are declining longer to accept marriage as a sort of purchase contract in which the woman barter her sex-capital to the man in exchange for a life-support. Perhaps in no clearer light is the rising ideal of family life revealed than in woman's fierce revolt against the ancient, man-made standard of the sex relations. She righteously resents commercialized prostitution, the low legal age of consent for girls, the "conspiracy of silence" regarding venereal disease, and the whole "double standard of sex-morals" as degrading to her personality. It is in this connection that the new movements for sex education, sex hygiene, and eugenic marriage disclose their chief meaning. Hence they are invariably an accented part of the equal suffrage program.

Divorce and Woman's Independence

At last after centuries of discussion, often misdirected, we are beginning to grasp the real meaning of divorce. We now understand that divorce is justly sanctioned by the state as a remedy for marital ills. Essentially it is an effect and not a cause. In our country the relative number of divorces has increased threefold since 1870. Contrary to the once prevailing belief, we know positively, from a study of the great mass of statistics collected by the federal government, that this startling phenomenon is due neither to bad divorce laws nor to migration from state to state in the search for easy decrees. Legislation, lax or stringent, has small influence on the divorce rate. The accelerated divorce movement is due mainly to social conditions which lie far beyond the direct reach of the law-maker. To the student of moral progress it appears clearly as a factor in the process of spiritual liberation, already mentioned, which ever since the Reformation has been radically changing the relative positions of man and woman in the family and in the larger society. As the writer has elsewhere suggested, the extreme liberty of divorce in the United States is an "incident of the transition process in social evolution; and hence it is due primarily to social mis-selection and to the clash of ideals."² During the half century constituting the transition epoch above described, the old forces of social control have been weakened faster than the new forces have been developed. The old legal patriarchal bonds have not yet been adequately replaced by spiritual ties. There is frequent and disastrous clash of ideals. The new and loftier conception of equal rights and duties has rendered the husband and wife, and naturally the wife more often than the husband, sensitive to encroachment, and therefore the reaction is frequent and sometimes violent. In

² Consult Howard, "Is the Freer Granting of Divorce an Evil?" in *American Sociological Society, Publications*, iii (1908), 150-80; or the same in *American Journal of Sociology*, xiv, 766-96; *idem*, "Social Control of the Domestic Relations," in *American Sociological Society, Publications*, v (1910), 212-24; or the same in *American Journal of Sociology*, xvi, 805-17; *idem*, "Divorce and Public Welfare," in *McClure's Magazine*, xxxiv (1909), 232-42; *idem*, *History of Matrimonial Institutions*, iii, chap. xviii.

For a luminous discussion of social conditions as the true causes of the divorce movement, read Dr. Lichtenberger's monograph, *Divorce: A Study in Social Causation* (New York, 1909).

the present experimental stage of reconstruction, the finer and more delicately adjusted social mechanism is easily put out of order. The evil lurks, not in the new ideals, but in the mistakes, the mis-selections, of the social builder.

The growing liberty of divorce has a peculiar interest for woman. She looks upon it as a safeguard to her personality. The wife more frequently than the husband is seeking in divorce an escape from marital ills. During the two decades (1887-1906) in the whole country more than 66 per cent of all decrees were granted on the wife's petition. Emphatically the divorce movement is in large part an expression of woman's growing independence. The ever extending list of statutory causes of divorce is thus a measure of what she regards as intolerable wrongs in the family. In the main, making all due allowance for mistakes, does not each new ground in effect give expression to a new ideal of moral fitness, of social justice, of conjugal rights? As civilization advances the more searching is the diagnosis of social disease and the more special or differentiated the remedy. Woman is demanding primarily, not less divorce, but fewer of the bad social conditions which now render the bitter medicine of divorce needful.

Equal Suffrage and the Family

In its present phase, the many-sided process of individualization for the sake of socialization is speedily extending the political franchise to women. What is the effect of equal suffrage upon woman herself and through her upon the welfare of the family? Is it enlarging and enriching her personality and so enabling her with greater ease and efficiency to perform her functions as wife and mother; or is it having the opposite result?

The appeal to experience discloses two significant facts which seem to show that for the highest political tasks of the present woman has a special preparation and a peculiar fitness. From the beginnings of society she has been an expert in the very problems and activities with which law and government are now most concerned. While the chief business of man was fighting and hunting, woman was inventing and practicing the arts of peace; attending to the welfare of mother, infant, and child; building the home and ordering the domestic economy. Today state and national legis-

lation deals more and more intimately with these things. They are the real values in civilization. Secondly, woman is proving her ability to do a full share of society's political work. Her capacity for organization and her administrative efficiency are being demonstrated ever in new and surprising ways. To her belongs the chief credit for creating the great organized social services. The regenerated American city is peculiarly woman's work. If their present achievements are an earnest of what they can do, it is to be hoped that women may be entrusted with a much larger share in public office.

The true function of the ballot clearly justifies its extension to woman. The ballot is the register of the individual's will in determining the character of social control. In an age when the traditional functions of the family are being largely vested in the overparentage of the state, would it not be illogical, a perverse policy, to refuse the wife and mother an equal voice in determining the nature of such "collective" parentage? The ballot is clearly an instrument through which woman may lighten and perform more efficiently the domestic duties which devolve upon her. The problems of disease and vice, for instance, so far as they menace the family welfare and threaten the happiness of mother and child, can be more rationally treated when woman may help make laws that shall ignore the dual standard of sex morality. The ballot aids the mother in the education of her child, especially of her boy. Because of inefficient family training, as already seen, the state has been forced to hand over to the teacher a very large share in the nurture of the young. For this the father is most to blame. Absorbed in business, he has practically abdicated his function as domestic teacher. He has laid that task on the shoulders of the mother, thus doubling her burden. Now, the so-called higher culture is rapidly becoming the possession of the woman rather than of the man. The boy should be trained for citizenship; for the wise conduct of a person entrusted with the ballot. As things are, so far as the young boy in the home is concerned, the needed training must come chiefly from the mother. Yet the mother's prestige is crippled. She is not a full active citizen. Not having the ballot, what can she know of its proper use? That is the psychology of the "suggestion" in the case. The ballot will give her prestige equal to that

of the father in her boy's mind; and so it will actually lighten her task as chief family teacher.

Her burden will be lessened still more, if the father may be called back from the office to the home to take his proper share in the training of the boy. Two things are urgently needed in the process of socialization: that the woman should have an opportunity to do a full share of the world's work; and that the man should take a full share in the work of the home. It is very true that woman's place is in the home. It is not less true that man's place is in the home. But the home is not merely a house, a physical dwelling place. It is a psychic, a spiritual fact; a group of ideals, relations, activities. It is vain to turn back the hand on the dial of progress. Marriage will indeed be holy when it rests on the troth-plight of equals. The home is indeed the human soul's most sacred temple. It will not be less sacred when through it flows the swift current of the larger social life. For, first and last, do not all human ideals, aims, and strivings center in the triad of personalities, the mother, father, and child?

THE EDUCATION OF WOMEN AND SEX EQUALITY

BY GERTRUDE S. MARTIN,
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The agitation for sex equality began, as Ellen Key has intimated, when Eve reached for the apple. It entered upon its final stage in modern civilized society when peace loving and indulgent, if somewhat sceptical, husbands, fathers, college boards, and school commissioners began at last gradually to yield, during the first half of the nineteenth century, to the nagging of their women folk and decided, albeit with many misgivings, to let them try their minds on the man's curriculum.

Up to that time the education of women both here and in Great Britain had been at best, except in the case of a few fortunate individuals, a thing of shreds and patches. At the beginning of the nineteenth century the great majority of our foremothers must have been nearly, if not quite, illiterate. In one direction only was the girl thoroughly and soundly trained. No pains were spared to perfect her in the manifold, if somewhat primitive, industrial processes carried on within the household; and if the processes themselves and the methods of instruction tended to develop only manual dexterity rather than mental capacity, they were nevertheless truly educative so far as they went. It must be admitted that it still remains for modern education to develop a technique equally well adapted to the present organization of the household.

Except in this direction, however, the education of women even at the close of the first quarter of the nineteenth century had gone little, if any, beyond the point looked upon as desirable by the gentlemen of the court of Charles II, who "thought that women were educated enough if they could spell out the recipes of pies and puddings, the manufacture of which nature had entrusted to their tender mercies." It was not until 1852, as Miss Talbot has pointed out in her book on the *Education of Women*, that a public high school education of any kind was available for girls in Boston, and the opening of the Girls' Latin School in 1878 gave them their first opportunity to prepare for college.

The story of the struggle for the education of women is beginning now to get itself told. Histories of the education of women in the United States or in particular states; biographies of leaders in the movement, such as Emma Willard, Mary Lyon, and Alice Freeman Palmer; magazine articles dealing with current phases of the educational problem—coeducation, the woman's college, vocational education—all these studies, issuing from the press in increasing numbers, are making it possible to trace with growing certainty the origin and tendencies of the movement. That means that one phase of it, at least, is fairly complete; that certain ideals that have been struggling for realization have at last got themselves established in our external social arrangements, and that the bearers of these ideals or their disciples now have a moment's breathing spell in which they can look back over the work and tell the rest of the world what the vision was that led them on and how it was wrought out into external reality.

They were quite clear in their minds as to what they wanted, these pioneers in the movement for women's education. Margaret Fuller made the classic statement of their demand:

It is not the transient breath of poetic incense that women want; each can receive that from a lover. It is not life-long sway; it needs but to become a coquette, a shrew, or a good cook, to be sure of that. It is not money, nor notoriety, nor the badges of authority which men have appropriated to themselves. If demands, made in their behalf, lay stress on any of these particulars, those who make them have not searched deeply into the need. The demand . . . is for that which is the birthright of every being capable of receiving it, the freedom, the religious, the intelligent freedom of the universe to use its means, to learn its secret, as far as nature has enabled them, with God alone for their guide and judge.

To most men that sounded rankly heretical. To the few leaders of the thought of the age it was only the logical next step in the democratic movement already well under way. During the previous century great masses of men had been very busily and successfully engaged in making and enforcing this same demand for themselves against other men, those of the privileged classes; but when women, in their usual unforeseen and unforeseeable fashion, made this demand for themselves against men—likewise a privileged class—the latter at first stood somewhat aghast and then conscientiously set in motion all the old forces of inherited belief, custom, and prejudice to oppose the spread of so pernicious a heresy.

Doubtless every privileged class that ever existed has been firmly persuaded that the continuance of its privileges was necessary to the truest welfare of the community of which it formed a part. And where such a class does not use its powers too despotically, it often succeeds, partly by its moderation, partly because of the very sincerity of its belief in its own beneficence, in imposing a like belief upon considerable numbers of not too perspicacious persons who do not share its privileges. This is the explanation of the feminine anti-suffragists.

So now the leaders of this movement for the liberation of feminine personality found arrayed against them the powerful forces of conservatism. Most men and some women joined in the chorus of protest, admonition, warning, and appeal. "Remember," cries Mrs. Barbauld, an excellent lady of wide culture and no small talent, but without the gift of prophecy, addressing the budding womanhood of her time, "Remember, your best, your sweetest empire is to please." It is exactly the sort of advice that a Turkish odalisque might expect from a benevolent slave dealer. Half a century later, the eloquent Mr. Ruskin, sugar coating the pill, to be sure, in his own charming fashion, was still offering to his feminine readers in Great Britain mental physic of this sort:

All such knowledge should be given her [the girl] as may enable her to understand, and even to aid, the work of men: and yet it should be given, not as knowledge—not as if it were, or could be, for her an object to know; but only to feel and to judge.

And again:

A woman in any rank of life, ought to know whatever her husband is likely to know, but to know it in a different way. His command of it should be foundational and progressive, hers, general and accomplished for daily and helpful use. Speaking broadly, a man ought to know any language or science he learns, thoroughly, while a woman ought to know the same language, or science, only in so far as may enable her to sympathize in her husband's pleasures, and in those of his best friends.

Even granting Ruskin's underlying assumption in regard to the relation of the sexes—"He for God only, she for God in him"—the sort of education he outlines would be wholly inadequate for the purposes indicated, but that is beside the point. What it is important to note is the fact that even while Ruskin was struggling to

clothe his somewhat puerile and futile thought on the subject of the education of girls in language sufficiently beautiful, the *Zeitgeist* had passed on. At almost the same time on the other side of the water Matthew Vassar was meditating his great gift and formulating his profoundly simple statement of his belief in the right of women to absolute equality of opportunity with men. A few years more and hundreds of young women, and some older ones, were standing at the doors of higher institutions of learning everywhere, demanding or begging for admission according as their individual natures prompted.

In vain did timid feminine souls plead with these bolder, liberty loving sisters not to "unsex" themselves, not to throw away their lovely feminine charm for the empty bauble of a trained intellect, which would, besides, get them no husbands. Equally in vain did learned divines and distinguished statesmen and educators mark out for them the divinely set boundaries of woman's sphere, which they could pass only at their peril. They were too keenly conscious of themselves as individuals, too deeply aware of their capacity to know and to do, too driven by the irrepressible demand for self-expression, too completely caught, in short, in the great forward surge of the democratic movement, to turn back.

It has been accounted folly on the part of those early advocates of women's rights that they minimized sex differences; that they insisted upon the fundamental likenesses between men and women and ignored or denied the differences; that they conceived of sex equality as possible only through identity of training, activity, and function. They saw far more clearly than their critics. It was literally true that the only path to any general recognition of sex equality for all women, college trained or not, lay through the successful accomplishment by large numbers of women of the curriculum of the man's college, and subsequent successful work in fields traditionally assigned to men.

Old beliefs and prejudices die hard. In a world whose intellectual and religious leaders had debated solemnly, not so many centuries before, whether women really had souls, it is perhaps not to be wondered at that the masculine mind in general still clung tenaciously to the persuasion that where woman was concerned, man had been admitted to the counsels of the Almighty while woman herself had been carefully excluded; and that it was therefore his high duty and responsibility to determine the conditions under

which her work for the world was to be done. The pioneers saw quite clearly that if the democratic movement was not to be aborted, was not to fail of its full fruition, another bit of mental surgery was inevitable. Men's minds must be opened a little further. The thought of the last century must be carried to its logical conclusion. The belief that "*men* were created free and equal" and "had been endowed with certain inalienable rights" had, indeed, found firm lodgment in the social mind. That men meant women too was by no means so easily accepted. What was needed now was to compel a like general recognition of woman as an independent human personality, capable of determining her own ends, responsible for her own choices, and entitled to a voice in arranging the conditions of her life and work.

There was just one means to the accomplishment of that end. The mother sex might have gone on to the end of time training for and working at the mother task, under the old conditions prescribed by men, without either greatly improving the quality of their mothering or convincing men of their fitness for self direction. Nothing, indeed can fully win them that privilege except proved capacity to wrestle successfully with the same intellectual problems as men wrestle with, to do efficiently the same practical task, to keep pace with them in constructive thinking and creative work.

The first step in this "demonstration" is already fairly complete. Now and then some indiscreet professor or college president ventures to generalize from his "impressions" and, like President Hyde in *The College Man and the College Woman*, delivers himself of the opinion that the college woman, so obviously superior in undergraduate work, betrays, as compared with men students, a lack of power to organize "facts in the light of the universal principles that bind them into systematic unity"—a power essential to productive scholarship. But hardly has he gotten himself into print to this effect when a Miss Talbot, or somebody like her, points out that out of the whole number of students taking the degree of doctor of philosophy at the University of Chicago prior to July 1909, 15.6 per cent were women, 8.9 per cent were of the *rite* grade, 10.8 per cent of *cum laude*, 15.5 per cent of *magna cum laude*, and 20.7 per cent of *summa cum laude*.

Such opinions as this of President Hyde are apparently based not on observed facts but on preconceived notions—traditional

assumptions—as to the intellectual inferiority of women; and so long as these persist, particularly among those who should speak with authority, the woman's college is instinctively right in its sturdy maintenance of the principle that “there is no sex in mind,” and in its steady refusal to introduce courses “to meet the special needs of women.” Only when the rapidly accumulating achievements of women in fields heretofore almost monopolized by men—achievements in literature, science, art, social and civic betterment, law, medicine, theology—shall at last have won men's respect so completely that they really come to believe the education of women to be a matter of as serious import as that of men, not merely for what it portends to the oncoming generation but for the service it can render directly through the educated individual herself—then only can we hope for any general recognition of sex equality.

For the recognition of equality of any sort can be expected, after all, only where substantial equality exists; and there can be no question that, in actual achievement in most, if not all, fields of intellectual endeavor, women have in general lagged far behind their brothers. Eager and more or less resentful explanations of this fact are forthcoming on every hand, but woman's immediate task is not to explain the fact but to alter it. She forgets that only God can give credit for “what she aspired to be, and was not” because the demands of the race lay too heavy upon her, and that man's sentence can pass only on “the vulgar mass called ‘work’—things done, that took the eye and had the price.” Man on the other hand has inferred too readily from woman's non-performance of the tasks he has particularly valued her innate incapacity for performance. Hence this pretty quarrel of the sexes. It can be patched up when woman has offered in abundant measure the proof that man demands, hardly before.

Now at last, however, education has put into her hands the means of furnishing that proof and she has not been slow in seizing her opportunity. Only a trifle more than two generations have passed since women gained general access to a more than rudimentary education, while the first generation of college women are just beginning to lay down their work; yet already, from field after field, has come the protest against the “woman's invasion.” Whether these protests are just and reasonable, or whether they are the expression of blind prejudice, they are incontrovertible evi-

dence of an extraordinarily rapid widening of the activities and influence of women.

The other day a volunteer committee of women, organized for the purpose of securing, if possible, the election of women delegates to the approaching constitutional convention in New York, issued a pamphlet setting forth briefly the services that trained women are rendering to the state in various fields,—in social work, both as employees of the state and as agents of volunteer, charitable, social, and civic organizations; in correctional work, as probation officers, superintendents of reformatories, etc.; in industry, as workers, as factory inspectors, as members of investigation commissions, as welfare workers, and as organizers of associations for the betterment of industrial conditions, such as the Women's Trade Union League and the Association for Labor Legislation; in education as teachers and superintendents and as pioneers in all the newer educational movements; in medicine, as practitioners and as leaders in the great public health movement through such means as tenement house inspection, medical inspection of school children, school nursing, abolition of the sweat shop, and the many activities carried on by such bureaus as that of child hygiene in the New York health department, which, under the leadership of a woman, maintains a staff of 196 medical inspectors and 650 trained nurses; in the civil service, in municipal and state boards—everywhere, an army of women called to serve the community in a large public way in spite of age-long tradition in favor of men for such service because, along with the trained mind and the balanced judgment, they could bring the woman's point of view, the woman's rich emotional experience, the woman's insight and quick intuition, qualities sorely needed and heretofore tragically lacking in our community dealings with some of the greatest of human problems.

In other fields also besides this of social service feminine achievement is growing apace, not in quantity only but in quality. More and more the work of women is coming to be judged by the same standards as that of men. More and more rarely do we hear a book, a picture, a bit of scientific investigation praised as "a remarkable piece of work for a woman." Gradually the world is coming to *expect* from women the same grade of work that it expects from men, and women know that every step in the growth of this expectation means for them an increase of opportunity.

The old chivalry that was rooted in a belief in woman's mental and physical inferiority has served its purpose as a civilizing force and is rapidly passing—is so far outgrown, indeed, that, like many other survivals, it has already become a source of irritation and annoyance, sometimes even a social menace. Working side by side with women in school and in college, competing with them for academic prizes and losing quite as often as he wins, sitting with them on boards and commissions appointed to deal with great public questions and finding them possessed of a fund of expert knowledge, a depth and breadth of human sympathy, and a sanity of practical judgment often superior to his own, man has begun at last to see that if women have fallen short in the sort of achievement that the world has accounted great, the reason must be sought elsewhere than in an assumption of their intellectual inferiority. He begins dimly to understand that woman has been what she has through the ages—toiling slave and bearer of children, instrument of his individual pleasure and comfort—not because it pleased the gods to make him a superior creature to whom such services were due, but because this was nature's plan for preserving and humanizing and civilizing the race. Here and there he even begins to question vaguely whether, in nature's eyes, he has after all held the center of the stage, as he had supposed; whether woman has not all the while sat securely at the heart of things, laboring directly at the central task of all the ages, toward the accomplishment of which his labor also, all of it, is only a contribution, and for the most part only an indirect one. This uneasy doubt makes it impossible for him to speak with his former easy assurance about the limits of woman's sphere. What if there should prove to be no limits, or if the limits of the two spheres should coincide!

Woman, meantime, given command of the instruments of thought, is working her way slowly and sometimes painfully toward a solution of her peculiar problem—how to reconcile the conflicting claims of her own individuality and of the race. So far in the upward struggle she has unquestionably borne more than her fair share of the race burden. She is coming to believe now that the race needs for its perfection no longer the sacrifice but the full development of her individual gifts and powers, and she demands not that the race burden be lifted but that it be equalized. She begins to see that if her development has been one-sided, man's has been no less so, though in

an opposite direction; and that what the race really needs is not more mothering but more fathering.

Perhaps it is a more or less definite recognition of the fact that sex equality can be achieved only by shifting to the man's shoulders a part of the race burden heretofore borne by the woman that makes him so wary of it; but he sealed his own fate when he yielded weakly to feminine wheedling in the matter of education. Nemesis is already at his heels.

FEMINISM AND CONVENTIONALITY

BY ELSIE CLEWS PARSONS,

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A few years ago there was discussion in academic circles over differentiating the college curriculum of women from that of men. Surely the curriculum for men is not so satisfactory, it was urged, that it cannot be improved. Besides, the educational needs of women may be different, if only a little, from the needs of men. "True, perhaps," was the answer of the advocates of an identical curriculum, "but even so, we can't *afford* to differentiate, as yet at least. To give women as 'good' an education as men, we must give them the *same* education. That is the only way we can keep up the standard." And hitherto in the colleges this plea, right or wrong, has governed. It is the same argument that underlies feminist effort in other fields. That women may have as *ample* opportunities throughout society as men, they must have, it is felt, more or less consciously, the *same* opportunities. Society is after all very simple minded, one new idea at a time is its measure. Let not feminism confuse its issues. Before women can improve on men's ways, those ways, one and all, must be open to women.

Whether or not this is sound feminist doctrine, it is the clue to an understanding of much of the feminist agitation of today. It suggests, too, some of the directions still to be taken by the feminist movement. It may be profitable therefore to consider some of the differentiations¹ in habits and customs that have arisen in society for the lives of men and women, the differentiations of daily life and of life at crises, not overlooking, where we can discern them, the psychological reasons for these differentiations.

"So long as a lady shall deem herself in need of some gentleman's arm to conduct her properly out of a dining or ballroom,"

¹ Not all; feminist discussion must confine itself, for example, to the exclusiveness of men, trusting that the exclusiveness of women will some day be a matter for hominist agitation. The farseeing feminist trusts, too, that the legal rights of men will cease to be neglected—inequalities before the law in responsibility for crime, for example, and in matters of property (damages for breach of promise, alimony, or any legal obligation to support women).

wrote an American publicist over half a century ago, "so long as she shall consider it dangerous or unbecoming to walk half a mile alone by night—I cannot see how the Woman's Rights' theory is ever to be anything more than a logically defensible abstraction." If this opinion of Horace Greeley is to be taken as a prediction that the Woman's Rights' platform of his time would not be enacted until another measure of freedom was secure to women, it has not been justified by the course of events. Property disqualifications have been entirely removed from women, the right of guardianship has become theirs (to the extent it was originally desired), and the days are counted to their possession, throughout the country, of the right of suffrage. These rights are theirs and yet it still embarrasses a woman to stand alone in a ballroom or sit with other women after the men have come out from the smoking-room; and it may be that the woman allured by the mystery of solitude under the stars is still rare. But perhaps what Greeley meant to say was that economic or political reform would not greatly affect women as long as the conventionalities of their daily life remained unchanged. If so, was he not, in the main, right and for his period extraordinarily discerning? Even today, many a suffragist, however ardent, is unpossessed of this insight. Anxious beyond measure for the vote, she is wholly unperturbed by the constraints of her daily life. Loath to be wholly dependent upon men in the limited number of matters which make up government, she is willing enough to be dependent upon them and upon women too in those endless details of daily life any woman might be expected to determine for herself. I recently attended a political convention at Saratoga where several women were lobbying for suffrage. One evening one of them wanted to go with a man to a dance, but she would not go, I overheard her declare, unless another woman went with them. The following afternoon another suffragist who had started to motor to New York took the train at Albany because, thanks to an unforeseen emergency, one of the two men motoring with her had to remain in Albany. "I couldn't think of getting into New York after midnight with only one man" Is not chaperonage a more important question for women, I wonder, than suffrage?

Comparative inability to choose either solitariness or their company is not characteristic merely of modern women. In no culture have women shown desire to do anything which requires running

the risks of being alone. Women hermits are extremely scarce, there are few women explorers, there are no women vagabonds, even the licensed adventuress, too restricted in her activity for any real adventure, is outcasted in a group. Rarely indeed do women go off by themselves—into the corner of a ballroom, into the wilderness, to the play, to the sacred high places of the earth or to the Islands of the Blessed. Penelope stays at home. Her reasons for staying at home vary, of course. She has to help her mother; she will be raped by a licentious male, a man or perhaps a god; she owes obedience to her parents; she will lose her reputation; she will give birth to a monster or her baby will die; she has to get the dinner ready; she has to look after the baby; she will bring disgrace to her family, dishonor to her husband, shame upon her children, disaster to her clan.

Whatever the sanctions, whatever the necessities or the excuses, woman's place having been in the home, her acquaintances have been restricted to the family circle and to the segments of the other family circles it overlaps. And with these friends and relatives her intercourse is unbroken and more or less incessant. The womanly woman has ever been an available woman, "always there when you wanted her." From such "home life" there have been for all women two prime outcomes. The unfamiliar person, the stranger, has been feared and shunned, more feared and shunned by women even than by men. Women in other words are peculiarly apprehensive of people of other localities, of other tribes or nations, of other castes, of other sets; and with such outlanders or outsiders they have as little to do as possible. Women are "inhospitable." They are "snobs." They are "full of prejudices." They are not "good mixers."

But to this characteristic tendency of women to keep to themselves, there are two exceptions. Within the home itself women associate with strangers, *i.e.*, with those unlike themselves, unlike in age and in sex, and seldom, too, are the times when women do not have to put up with this association. Being "home bodies," they cannot get away, like men, from their children or their parents, they have to make the best of their brothers or their husbands. Face to face with these heterogeneities of sex or age, women have raised up barriers against them, carefully regulating their relations with their juniors and seniors and with the other sex. Their attitude

is very conventional with members of different age classes and with men, more conventional, I mean, than that of men with women or with those unlike in age—and this is the second important outcome for women of their home life. Upon women age and sex taboos are heavier than upon men. And it is they who are the foremost teachers of the proprieties, of politeness, of good manners, of the amenities—all rules of conduct for life with others more or less unlike yourself and yet not to be avoided.

With beings unlike yourself the alternative to conventionality is avoidance. And that alternative is taken on the whole by men in relation both to their juniors and seniors² and to women. More or less unconsciously they avoid women and more or less deliberately they exclude them from their interests and their places of assembly—from their economic pursuits, from their learned professions, from their games and pastimes, from their club-houses, churches,³ forums, council halls, universities, and play-houses. Even the initiative in the avoidance practiced within the family group is taken, I surmise, by men.⁴ At home and away from it such seclusiveness and exclusiveness in men result, of course, in increasing the differences between them and women. Increased differences stimulate to greater seclusiveness or exclusiveness; we get a closed circle.

² Although classification by age is characteristic of every society, our specific data on age classes are scant and very scattered; but from what I have from others and have observed at first hand I am inclined to believe that seniority is more of a bar in daily intercourse between adult men than between women. The fact that men see comparatively little of children hardly needs mention. Seeing them seldom, they can afford, they feel, to treat them as contemporaries. This is a reason why children "take to men" and not, as a fond mother sometimes alleges, because men are novelties. Children, like women, dread the Stranger.

³ From religious exclusiveness almost all other forms of exclusiveness can be traced just as all the professions were differentiated from the priesthood and as games and the arts had religious origins. But the exclusion of women from the derivatives of ecclesiasticism is no mere historical sequence or survival. History gives it the sanction of the past in given cases, but it has an ever fresh psychological spring.

⁴ Among us it is the son-in-law who avoids his mother-in-law and there appears to be no evidence that it is the other way round among savages where this practice is more formal. At any rate it is the father-in-law in every society who avoids his daughter-in-law and not *vice versa*. Everywhere, too, it is "up to" the boy to stop "hanging round" his mother and playing with his sisters.

For the moment let us turn away from this closed circle to consider certain sex differentiations in customs at times of crisis. We noted that the heterogeneities of sex and of age are more constantly under the noses of women, so to speak, than of men. Women are closer to life, we sometimes say, meaning that they are face to face with birth and growth, decay and death. And so it is to be expected that they, rather than men, will play the leading parts in the policy human beings have chosen to meet the changes of life—the policy of ignoring the change until it is inevitable and then mitigating the shock of it through the diversion of ceremonial.⁵ And women do play in the ceremonial of crisis the more prominent or lasting rôles. Mourning observances are far more elaborate for women than for men and far more prolonged. So are wedding and honeymoon observances, although in them of course the character of duality must preclude any great differentiation.⁶ As for puberty or initiation ceremonial, that curious means of breaking the shock of realizing that the young have grown up, if women appear to take a less important part in it than men, reasons consistent with our general interpretation are not hard to find. The initiation of boys means they are leaving home. No amount of ceremonial can disguise that break. Were they to stay on at home in a different relation to it, then the women might enter more strikingly into their man-making rites.⁷ As it is, all women can do is to express ceremonially their distress at “losing” their boys. Andamanese women “weep over” an initiate the morning after he breaks his turtle fast. Throughout the first night of an initiation Mita-Koodi women are expected to wail. The kinswomen of an Euahlayi initiate are supposed to be so much in need of comforting that the old men bring them presents of food. In other Australian tribes we find rites to symbolize the separation imminent between the initiate and his kinswomen. Among the Kurnai he sprinkles his mother with water, among the Arunta he throws his boomerang towards her spirit camp to show her, the

⁵ Under the rubric of *Ceremonial Reluctance* I am preparing a fuller statement of this shock absorber theory of ceremonial.

⁶ The veiling of the bride and her seclusiveness before and after the wedding are the most notable. But the bridal couple apart, the women of the family are more concerned with the marriage ceremonial than the men.

⁷ As they do at the nubility of girls; for the “coming out” rites of girls do not mean a break with family life.

ethnographers suggest, that all is at an end between them.⁸ But the initiates are turning their backs on their mother only to turn their faces towards their father and their father's friends. For these seniors, upon taking into their life youthful participants, an adjustment is necessary, and it is for them to get it over with as quickly and easily as possible. Naturally they resort to the usual social method, the method of ceremonial. It is plain enough why men figure rather than women in the puberty or initiation rites to celebrate a boy's growing up.

But there are other conditions in the life of men besides an adjustment to their juniors to be met with ceremonial or with conventionality. Their contacts with all their non-familial groups, the groups they resort to when they leave home, when they go out "to meet a man," all these associations have to be entered upon with ceremonial and, their membership never entirely homogeneous, safeguarded with conventionalities. Hence presentations and introductions of all kinds, the conferring of orders or degrees, the induction into office, "treating" and the "sacred laws of hospitality." Hence tribal or patriotic standards, professional etiquette, chivalry, the code of a gentleman, and many other caste taboos or rules. In all these matters women figure far less than men, of course, for the simple enough reason that they are out of touch with the different groups concerned. They have avoided them or they have been excluded from them. Then when they do begin to seek admission into these non-familial groups we may note that very often they ride roughshod over their conventionalities,⁹ breaking their rules, either because they are ignorant of them or because they see in them little or no value. This procedure, whatever its explanation, is very disturbing to men, distasteful to them and even abhorrent. And often enough it is the more or less unconscious anticipation of such violations by women, of such misbehaviour, that sets men so bitterly against opening the doors to them. Merely to lessen masculine apprehensiveness and to overcome masculine antagonism women might do

⁸ The rigid separation of initiates from females is also more of a symbol of sex segregation, I think, than a practical measure against sexual intercourse. It is a concentration rite, a synopsis, so to speak, of the life ahead of them, life apart from women.

⁹ An infraction we recognize when we say, for example, that women have no sense of honor, or that women dislike "red tape."

well to adopt quickly and unquestioningly masculine conventionalities.

But even if women develop a sense of honor and a respect for masculine routine, even if they shear their hair and dress like men, even if they keep men's hours, and work and play like men, even if they smoke and swear and get drunk like men, even if they succeed in getting from the outside the loyalty and *esprit du corps* that usually come only with participation in the life of the group, learning to swim, in other words, without going near the water, even if they conform in all these ways, differences will still exist between them and men, natural differences, urges the anti-feminist, and should not these natural differences receive appreciation and be given social expression? However we may answer this question, it does not quite meet the point of masculine exclusiveness. It is *apprehension of difference* rather than actual difference which bulks so large now and always in the social regulation of sex. It is fear of the unlike rather than the fact of it. The anti-feminist wishes to keep women apart from men not because he values sex differences, but because he fears them. He or she is not so anxious to preserve them as to get away from them, to be protected from the danger of being disturbed by them. Differences in age, in caste, in family, and in race, have filled mankind with analogous apprehensions and prompted analogous methods and plans of self-protection.

Age-class, caste group, family, and race, each has its own closed circle—from unlikeness to exclusion or seclusion, from exclusion or seclusion to unlikeness—but each of these vicious circles the modern spirit has begun to invade and break down. In the spirit of our time fear of the unlike is waning, and *pari passu* intolerance. Fear of the unlike and intolerance are due to fear of change, and that fear, whether of change wrought by life or of change threatened by the stranger, that great fear, is passing. With it are bound to go the devices of self-protection it prompted—ceremonial, conventionality, and segregation. In this general movement of the human spirit feminism was born; upon its march the hopes of feminism ultimately must depend.

THE LEGISLATIVE INFLUENCE OF UNENFRANCHISED WOMEN

BY MARY R. BEARD,

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New York

The forces which actually mold and determine legislative policies in modern society are among the deepest mysteries of political science. Generally speaking, men have had the suffrage for nearly a century in the United States, and yet we still talk, and with reason, of "invisible government," "government by public opinion," "government by common counsel," wondering how much numerical majorities at the polls really count for after all. That the "invisible government" is forceful enough and keen enough to defeat again and again solemn judgments made at the polls is patent to all. Our talk about "bossism" and "big business in politics" is not mere gossip. Investigation after investigation has revealed the reality of the economic influences in modern legislation. Even the late Senator Platt, always reticent in the presence of inquisitors, admitted that the large sums which he received from the life insurance companies "might" have had some influence on legislation at Albany. Anti-lobby legislation is another piece of testimony to the effect that the "popular will" registered at the polls is not always the "will" registered at the state capitol. The growth of direct government is an evidence of the voters' suspicion that other influences than those of the ballot box operate on their "representatives."

If it is true that powerful economic interests, organized and always alert, have often written their will into law, through popular representatives and in spite of popular will, what can we say of the weight of beneficent influences, and particularly the influence of voteless women? If we cannot estimate accurately the weight of popular will expressed at the polls on legislation, or the weight of determined economic interests, how can we hope, with any degree of success, to gauge the intermittent efforts of women to advance or retard the progress of legislation in many fields? In the absence of data of a scientific character, we can only fall back upon certain

more or less popular conclusions about women's influence, some of which have arisen from vague opinion or uncertain feelings, only slightly tinged with information.

These conclusions rest in fact upon such readily available data as the following: the testimony of politicians and legislators as to the extent of women's influence which they have been compelled to recognize; individual examples of moral persuasion or statesmanlike wire-pulling on the part of women; organized efforts of women for the accomplishment of definite programs; lobbies in legislative chambers maintained by women; and coöperation with men in organized legislative effort.

Only the most striking instances can be given of the testimony of legislators as to the influence exercised upon them by women. The first example, and probably the most forceful one, that comes to mind is in connection with the extension of the privilege of voting to women. "When women want it they will get it" is admitted even by the most hardened anti. Men on platform committees, men at the primaries, men at the polls, men in their legislative halls and in judiciary committees would gladly escape the importunities of the persistent hordes of women who descend upon them to question them as they go into meeting places or polling booths about their intentions and question them again as they come forth about their acts with regard to the enfranchisement of women. Where women in large organized groups protest vigorously against the extension of the suffrage, their influence is undoubtedly felt in the legislatures and at the polls, and the cry of defense by the legislator and the voter becomes: "Women do not want to vote." In either case, the proposition in the popular mind is left to the decision of women. Suffrage, when submitted at the polls, is generally won by women through their activity in persuading voters to ballot in its favor. Without their constant hammering at every man whom they can reach, women know, and men know and admit, that the franchise would never be extended to women.

The clearest evidence of this fact lies in the pressure now being exerted for the Bristow-Mondell federal amendment to bring enfranchisement more speedily to all the women of the country. Driven by the women who are now included among their voting constituents, and sometimes boldly admitting it, senators and representatives from suffrage states are asking, seriously at last, for this legislation.

Driven by fear of the possibility of women soon forming part of their voting constituents, men from suffrage campaign states are espousing the same amendment or hesitating to oppose it hoping for its postponement; while in the South, where neither woman suffrage nor campaign states, in the strict sense of the term, exist, congressmen are beginning to find themselves in a dilemma owing to the growing support of the amendment among the women of their districts and the additional and more potent fact that the women voters of the North are questioning the attitude of the Democratic party toward the amendment—thus making suffrage a serious issue in view of the present and possible electoral vote to be determined by voting women in 1916. In national politics, then, the influence of women on legislation dealing with their own enfranchisement is plainly seen. It is this which led the Virginia member of the judiciary committee in the House of Representatives to exclaim in committee last spring: "I shall no longer be responsible for holding up this discussion in the House."

Further testimony to the part borne by women in their own enfranchisement is given by Colonel Roosevelt in his recent statement to leading women of the Progressive party in New York:

I believe that the surest way of bringing about a realization of one feature of the Progressive party program, that of securing the vote for women, is the constant development of what are already the social and industrial activities of women within the Progressive party.

The strongest argument in its favor, thus set forth by the men who incorporated the suffrage feature into the Progressive platform, is the influence of women on other legislation.

Representative government is, to some extent at least, a government by petition, legislators responding to personal appeals from individuals and organizations when they are powerful enough to arouse interest or alarm. National as well as state legislation has been effected in this way by women, if the testimony of men like Harvey W. Wiley is accepted. In his campaign for pure food laws, he stated repeatedly that his strongest support came from women's organizations. That support was not passive and moral, merely expressed to him privately, but these women inundated Congress with letters, telegrams, petitions pleading for the passage of the laws in question. These communications were presented to Congress by

their recipients who often urged, as their reason for supporting pure food laws, the appeals of women whose interest in food should not be ignored.

The Consumers' League of New York helped the National Food Committee to defeat a mischievous amendment to the Gould bill which requires that all package goods should be labeled as to the amount of their contents. The amendment would have nullified the provisions of the bill for the very cheap package goods, and thus exploited those least able to detect frauds. The amendment was defeated through the joint activity of these two associations and the wide interest shown by women.

Of course women are not the only senders of appeals to congressmen. They are wise enough to know that, in most cases, congressmen are more affected by men whose votes elect or defeat them. Women therefore prod busy men into letter-writing and the transmission of telegrams. They seek out influential men and see that their messages are sent. The congressman, therefore, who is anxious to represent the people, lays before his colleagues this combined evidence of what his "people" want. The existence of a certain degree of "government by petition" is disclosed by statements made to women lobbyists by legislators that they see "little popular interest" in a proposed kind of legislation because more appeals have come to them for "bird protection" or for the appointment of a commission to study the subject further than for immediate legislation upon it. This is submitted in evidence that what the people including women, want, they get unless the interests arrayed against it are too powerful.

In addition to the indirect influence of petitions, there are instances, that are interesting though rare, of the direct accomplishment of legislation by individual voteless women. Mrs. Albion Fellowes Bacon, of Indiana, practically single-handed, secured the first tenement house laws of value for Evansville and Indianapolis. She did this before the National Housing Association, of which she is now a director, was formed. The recent improvements in the Indiana housing legislation are due apparently to her continued leadership and to the public opinion which she has helped to create. In her case it was personal initiative and moral persuasion.

Another example of personal influence on legislation exerted by women is that of Frances Perkins of New York in her fight for

the Fifty-Four Hour bill for the women workers of her state. Unlike Mrs. Bacon, Miss Perkins represented a society—the Consumers League—which asked for this measure, and she was supported in her demand by the Women's Trade Union League and other organizations. The measure would have been defeated, however, as is widely known and acknowledged in New York, had it not been for the personal sagacity and watchfulness of Miss Perkins who captured a senator of dominating power and prevented his escape in a taxi to the station in time to restore him to his seat in the chamber—his vote on the floor bringing with him the votes he controlled. More than one refugee has been escorted back to his duties by women sentinels when legislation on which they were determined has been up for a vote. In such cases the woman's influence lies not in physical force, for she has never been seen to lay hands upon the recalcitrant legislator, but in the occasional subservience of the mind of man to the actual presence of a moral force.

Organized efforts, however, are ordinarily more effective than individual prowess, and women as well as men have learned this fact. Whoever will take the trouble to examine the files of *The American Club Woman*, the organ of the women's clubs of the United States, which records the doings of women's clubs all over the country, cannot fail to be impressed with the drift of women's activities in the direction of legislative action. Societies formed to study Browning or Shakespeare soon begin to be concerned about local improvements of one kind or another. They become interested, for example, in the inadequate recreational facilities of their town or city, and when they begin to act in the matter they usually find it necessary to secure positive legislation or at least appropriations, and thus they are led into bringing their influence to bear either upon the state legislature or the local council.

Every issue of *The American Club Woman* contains notices of such activities on the part of local clubs, and these are supplemented by reports of such local associations themselves. Take, for example, the 1913-14 *Year Book of the Woman's Club of York, Pennsylvania*. The Public Playgrounds Committee of that club announces that in addition to the funds raised by it privately, "the city appropriated \$150 to the work, with the result that through excellent management receipts are in comfortable excess over expenditures." The Social Service Committee of the same club states that "in the first

year of its existence, it has done important and effective work. It was largely responsible for the passage of an ordinance by city councils regulating dance halls."

Take, for another example, the 1912 *Year Book of the Woman's Municipal League of New York City*, selected at random from among a hundred reports of women's associations, and we find recorded on pages 14 to 18 a contest waged by that organization against a certain motion picture ordinance. The report runs:

The members of the Woman's Municipal League were requested to write to their aldermen, urging them to oppose the Folks ordinance. . . . The members heartily responded to this request and almost every alderman received communications on the subject. When the day set for voting upon the Folks ordinance arrived, its sponsors deemed the risk of its defeat too great to warrant them in bringing it to a vote.

Similar activities, both positive and negative, can be discovered in the records of practically every woman's association not organized for purely literary purposes. And even literary societies, as remarked above, are becoming socially minded.

These local clubs, as is well known, are federated into state and national associations, and an examination of the minutes of these larger federations shows that more and more organized women are seeing the importance of agreeing on certain measures of fundamental concern to women and society at large, and pressing them to a successful completion in the legislatures of their respective states. The files of the reports of the national assembly of women's clubs, to be found in any well equipped library, reveal the growing solidarity of women, their increasing concern about social and economic problems, and their increasing agreement on positive measures of legislative action.

In addition to these general clubs and societies, there are special women's organizations, such as the Women's Christian Temperance Union, the Council of Jewish Women, and the Women's Trade Union League. The first of these associations has stood for better protective laws for women and children as well as for measures directed against the liquor traffic. In their warfare upon liquor, women have discovered the relation of wages, overcrowding, long hours, and other economic factors to the consumption of alcoholic stimulants; and are considering preventive as well as prohibitory legislation. The second of these associations, while concerned pri-

marily with the safeguarding of Jewish immigrant women and girls, has been drawn more and more into the development of social and correctional legislation. The Women's Trade Union League, in addition to organizing wage working women, devotes special efforts to obtaining protective labor legislation, including an eight-hour day for women and woman suffrage.

It is safe to say, therefore, that in the progress of modern social legislation of all kinds—the extension of educational functions, pure food laws, mothers' pensions, development of recreational facilities, labor laws, particularly for women and children, and measures directed against prostitution—not a single important statute has been enacted without the active support of women, organized and unorganized. This much we may say without attempting to apportion to women the exact weight of their influence.

Important as has been that influence, there can be no doubt that in cases of serious labor legislation affecting large employing interests women's weight has been almost negligible in many instances. Indeed, one of the New York legislators, in a very friendly and confidential talk with the representatives of the Women's Trade Union League, told them that the 35,000 voteless women whom they represented naturally could not carry the same weight as thirty-five voting men. It was just such frank statements as this that turned Florence Kelley and many leading social workers, who sought legislation in their various fields, into ardent suffragists.

Other social workers, anxious to accomplish immediate results and unwilling to wait for universal suffrage, have discovered that one of the best ways to increase women's influence in legislation is to join associations which include men as well as women, even if they have to do all of the work. How far this is consciously done one cannot say, but it remains a fact that much of women's effective legislative work is done in connection with those organizations which draw no sex lines. The weight of women in such societies is evidenced by the number of important executive positions which they hold in local, state, and national organizations for the promotion of public health, education, recreation, housing reform, and the improvement of labor conditions.

In child labor organizations, hospital organizations seeking larger appropriations for social service, anti-tuberculosis work, labor legislation committees, the prevailing testimony, even from women,

is to the effect that "we consider our greatest strength in the fact that our work is done by the coöperation of men and women." Emily Bissell, president of the anti-tuberculosis society of Delaware, says for example:

All our work on tuberculosis has been done by women and men working together and while the women's clubs have done their part, the men, in their beneficial societies, labor unions, Catholic and Jewish associations, etc., have all had their part, and it will be difficult to disentangle their activities from ours. All this is as it should be, but it makes data more difficult than when restricted to either sex.

Women are more and more loath to accept all the credit for social legislation today and men seem actuated by the same spirit.

In response to hundreds of inquiries made within the past year to societies all over the country for information relative to the specific work of women, came a large proportion of replies to the following effect: "We fear we can give you no help as all our work is done through committees of men and women." The American Civic Association, the National Municipal League, the National Child Labor Committee, the American Public Health Association, the National Labor Legislation Committee, the National Housing Association, teaching and medical societies, make no sex distinctions now in their membership or official leadership. Scarcely a single society for social work or legislation today feels that it can go before the people without the names of Jane Addams, Lillian Wald, Florence Kelley, Julia Lathrop or other prominent women printed upon its letter heads. Their appreciation of the worth of these names is vague, yet positive.

With such evidence as we now have before us, we may say truly that women's influence on legislation has grown, is growing, and will grow. This is not very definite in itself, but it marks a long journey from woman's old spheres, the three Ks. And it is interesting to note that those women most actively using indirect influence are coming to prefer direct action on their own account.

WOMEN AND SOCIAL LEGISLATION IN THE UNITED STATES

BY FLORENCE KELLEY,

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It was the intention of the writer to outline briefly the contribution to social legislation made by women in our country during the past three-quarters of a century. Instead of this, however, the tragedy of the continent of Europe bids us pause and review, under its shadow, all our social activities. It warns us to test them, to weigh them soberly and, perhaps, to change wholly their direction.

For forty years the rulers of Europe have been steadily preparing this catastrophe. Money needed for bread and for schools has been, decade after decade, spent for guns and ammunition, for barracks, and for maintaining in them millions of young men forced to be idle in their best working years. Today in Europe the social gains of all the weary years since the wars of Napoleon are in peril. Whoever wins in the end, every warring nation will be the poorer in men, in homes, in health, and in hope.

With the honorable exception of the Socialist party, the voters in England, France, Germany and Austria elected to office throughout those forty years the candidates of the militarist parties. The voters thus consciously shared the fatal responsibility. Under the shadow of this world tragedy who stands, today, in Europe with clean hands? Only the women who have no vote, no share in the government—and the children. But when their sons lie buried in foreign soil, and the babes in their arms wilt and starve, what avails it for the mothers in the warring nations that their own personal consciences are clear of all share in preparing these horrors?

Against the gruesome background of the European war stands forth the social fact that, since our own Civil War, followed by the emancipation of four million slaves a half century ago, the most important social legislation achieved in our country has been the enfranchisement of three million women in ten states and Alaska. For the first time in human history three million women can, within their own nation, act with the power of full citizens in relation to

peace and war. They can help to decide that never again shall the fruits of social legislation be swept away by men in arms.

Seen in the glare of the events of our time, by far the most vital social reform now pending is, accordingly, the Bristow-Mondell resolution,¹ which, after receiving a majority vote in the Senate of the United States, is before the House Committee on Rules. For when this resolution receives the two-thirds vote in both Houses prescribed by the Constitution of the United States, it will go for ratification to the legislatures; and when thirty-six legislatures ratify it, all the women of the nation will become full voting citizens.

¹ *The Bristow-Mondell Amendment.* Senate Resolution 130, and House Resolution 1.

Proposing an amendment to the Constitution of the United States extending the right of suffrage to women.

Resolved by the Senate and House of Representatives of the United States of America in Congress Assembled (two-thirds of each House concurring therein), that the following article be proposed to the legislatures of the several states as an amendment to the Constitution of the United States, which, when ratified by three-fourths of the said legislatures, shall be valid as part of said Constitution, namely:

"Article.—Section 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any state on account of sex.

"Sec. 2. Congress shall have power, by appropriate legislation, to enforce the provisions of this article."

² Of the required thirty-six legislatures, twenty-one are probably now ready to ratify. That is certainly the position of the legislatures in the ten states in which women now vote. Nine more legislatures are presumably ready, inasmuch as they have voted to submit to a referendum the amendments to state constitutions which are now pending. These are Nevada, Montana, North and South Dakota, Iowa, Pennsylvania, New Jersey, New York and Massachusetts. The legislatures of Wisconsin and Michigan also within recent years referred to the voters amendments to their state constitutions, Michigan doing so twice in two consecutive years. (The governor of the state vetoed the second bill.)

Fifteen states will have to ratify the Bristow-Mondell amendment besides the twenty-one here specified. It is reasonable to suppose that these will be Nebraska, Missouri and Ohio, whose citizens have filed initiative petitions to be followed by popular vote in November, 1914; the five New England states which border Massachusetts; Delaware, West Virginia and Maryland, which form the southern boundaries of Pennsylvania; Indiana and Kentucky, contact states of Illinois; Minnesota between Wisconsin and the Dakotas; and Oklahoma, neighboring state of Colorado.

This calculation rests upon the observed fact that the enfranchisement

Cumbersome as is this procedure, it is by no means an impossible undertaking as has been shown by the recent ratification of two amendments in a single year.³

A characteristic change in the legislative activities of women in the present century is their tendency to work with men rather than in associations exclusively their own. The Women's Christian Temperance Union, the National Council of Women, the Federation of Women's Clubs, with its many valuable committees promoting legislation, date back into the nineteenth century. But the many newer national organizations for promoting long life, good health and improved morals comprise both men and women. This tendency to work together makes it increasingly difficult to discriminate the share of women in the accomplished legislation. Even where women vote, their ballots are not usually distinguishable from those of men.

The permanent social and industrial interests of modern women are, however, well illustrated by four bills pending before Congress, as to each one of which the Consumers' League, for instance, wields a laboring oar. These are the Booher bill, dealing with the labor of prisoners, the bill for safety at sea, the Palmer child labor bill, and the resolution for an appropriation to enable the Bureau of Labor to investigate the cost of living in the District of Columbia. The proposed beneficiaries of these four bills are all working people, each group peculiarly helpless after its own kind. They are wage-earning women in the District of Columbia where neither they nor the men of their families can defend their interests with ballots; second, children anywhere employed in mines, quarries, factories and workrooms; third, seamen who are, as their name suggests, usually afloat and unable to make themselves heard from as constituents during campaigns for electing senators and representatives; and, finally, prisoners who, of all the working class, are the most indescribably defenseless.

The proposed federal official enquiry into the cost of living in of women has, with the exception of Illinois, spread from one state where women vote to its next neighbor. A state, moreover, in which a campaign preceding a referendum is in process, arouses the greatest interest of all in its adjoining neighbors.

³ Authorizing Congress to establish an income tax, and providing for the direct election of United States senators by popular vote in the states.

the District of Columbia is meant to prepare the way for a minimum wage commission for the District, kindred to the commissions already at work fixing minimum wages for women and girls in Massachusetts, Minnesota, Oregon and Washington. It is particularly timely because of the 8-hours law for women in the District enacted last winter and already in effect. This federal bill is one link in the long chain of increasingly successful efforts to standardize the wages and working hours of women and girls. In this nation-wide struggle, the supreme courts of New York and Illinois have reversed themselves and held, in the end, that the working hours of women may be limited by statute, the Supreme Court of the United States having previously so decided. The number of persons affected by the proposed federal investigation is obviously small. The importance of the enquiry must not, however, be gauged by its size, but rather by its position as a link in the chain. For, whenever the federal government, acting upon the facts elicited, establishes, as it sooner or later must do, a minimum wage commission for the District, a most valuable impetus will be given to the movement for such commissions in all the states. No legislation can be more thoroughly social in its character than this. For disease and vice are forever rooted in the cruel injustice that leaves to blind competition the determination of the recompense of labor.

The Federal Child Labor Bill

The Palmer federal child labor bill is proposed in the interest of the children, and of all enlightened and humane employers and communities who suffer the competition of the mean or of the benighted. It is, finally, meant to satisfy the consciences of enlightened women who are dependent upon the federal government for that which they cannot do for themselves and their individual states cannot do for them.

Intelligent mothers prefer not to buy the products of the labor of children. But after fifteen years of effort by the Consumers' League, and ten years' work of the National Child Labor Committee, it is still impossible to learn whether a supply of cotton goods comes from a mill in Massachusetts working under the children's 8-hours law, or from the southern branch of the same mill working under the odious, new, sham law of Georgia. Women are still unable to keep

their consciences clear of sharing indirectly as consumers in the employment of young boys at night in the Pennsylvania glasshouses and steel mills, and of children in the cotton mills of North and South Carolina, or under the cruel conditions of cannery work in Maryland or on the Gulf Coast. They are, therefore, in no faltering terms asking Uncle Sam to safeguard by the Palmer bill all his children precisely as he safeguards, once for all, through his patent office and his federal courts, those patents under which the cotton manufacturers and the canners have alike grown rich and powerful.

Under the Palmer child labor bill, factories, workshops, mines, quarries and dealers are all alike forbidden to ship, in interstate commerce, goods in producing which children have been employed before the fourteenth birthday, or during the night, or more than eight hours in twenty-four, or at risk of life, limb or health.

A generous share of the work and money needed to promote this eminently social federal statute comes from women who both serve as trustees of the National Child Labor Committee and are among its most eager, faithful members in the several states. Women have always been a majority in the Consumers' League membership, its principal financial supporters, and most active in its legislative efforts.

Prison Contract Labor

As purchasers, as spenders of the family income responsible for the moral, physical and social consequences of their disbursements, women have no means of learning which goods are made in prisons and which by free labor. Except in the narrow range of stitched goods that carry the Consumers' League label, or the trade union label, this statement is sweepingly true.

The Booher convict contract labor bill is, therefore, intended to place prison products, whenever they may be shipped into a state, under the laws of that state, whatever those laws may be. For want of this federal law, garments may be sold, for instance, in New York City, which are made in another state by prisoners suffering from loathesome diseases communicable in clothing. The characteristic prison maladies are tuberculosis and syphilis. Yet New York state, which forbids such traffic within its own borders, cannot guard its citizens against this risk of disease coming from without, cannot enable them to be warned of the source of these

wares. For the Court of Appeals of New York held, in the Hawkins case, that under the Constitution, a state may not require that contract convict goods must be, when shipped into it, so labeled as to warn the purchaser that they were made in prisons.

In the Wisconsin State Reformatory, at Green Bay, 85 to 90 boys are employed in making overalls and "brownies." Surely mothers who ignorantly buy these goods ought to have an enforceable legal claim to know what they are getting. But until the Booher bill becomes a law, the New York decision in the Hawkins case will effectively bar the way to such knowledge.

In the Michigan state prison at Jackson, a cannery has recently been opened, and there is nothing to prevent other prisons from following this example. These goods are sold extensively in Indiana and Wisconsin under labels disguising their origin. Indeed, the prison-made garments and foods distributed throughout the country, without distinguishing labels or with misleading ones, constitute a distinct peril to the health of consumers.

Nor can a state protect free labor within its borders from the competition of prisoners working unpaid in the service of contractors; and this in branches of manufacture in which the prisoners are often unable, after their release, to maintain themselves. Manufacturers who use the label of the Consumers' League have frequently complained that this utterly anti-social competition makes it impossible for them to pay generous wages to their employes. Some 7,500 prisoners are employed in Connecticut, Delaware, Kentucky, Maryland, Michigan, Missouri, Nebraska, New Jersey, Rhode Island, South Dakota, Tennessee, Virginia, West Virginia, and Wisconsin in making shirts, overalls, hosiery, brooms, buttons, brushes, shoes, etc. For the work of the boy "brownie" makers and overall workers in the State Reformatory at Green Bay, Wisconsin receives a nominal return of about \$.70 a day. In practice this amounts to about \$.50—and if a fair charge should be made for rent, heat, water, power, light, etc., the net return might fairly be stated at \$.30.

These are all conspicuously women's industries. The average labor price in all these prisons is about \$.55 a day. The Wisconsin State Board of Control estimates the value of overhead items—rent, heat, light, power, etc.—at about \$.20 to \$.25 a day. The average net price of convict labor in these industries is, therefore, about \$.30 a day or \$1.80 a week.

Wage-earning women in these occupations must obviously face this cut-throat competition. Not merely do the 7,500 prisoners displace free self-supporting women outright, their labor, concentrated within a limited range of production, profoundly depresses the wage of practically all the women employed in these branches. Manufacturers testify at public hearings before legislative and Congressional committees that the prison price rules the market price, that they cannot sell their products until the prison goods have been disposed of; that in times of depression they are forced to give the right of way to the prison factory and slacken their own output or shut down entirely. This pressure was especially in evidence in the summer of 1914.

Convict contract labor is due chiefly to the inability of wage-earning women to defend their own interests on the political field. In the hundred years' struggle between free labor and convict labor in men's industries, men, as they improved their economic and political status, exerted upon legislatures pressure which slowly eliminated prison competition from their field. Such industries as stone cutting, foundry work, etc., are today practically eliminated from contract prisons. (In the prisons conducted under the state use system, the inmates are naturally employed at work required by the state, but their products do not come into competition with the products of free labor *in the open market*.)

In the place of industries normally employing men there have come the needle trades which, in the outside world, are practically all women's industries. Wage-earning men have thus, through their political power, shifted the burden of prison competition upon the women workers.

Convict contract labor gives rise to other evils. It tends to compel prisoners to return to crime as soon as they are released, for if the prison has taught them women's trades, they find all factory doors closed. It is unjust to the prison administration, for the prisoners know that they are learning no useful trade and resent the enforced labor. Wardens testify that they have far more trouble in shops where the inmates are employed at needle trades than in other shops. Only when convict contract labor is utterly banished from an institution is any effective effort made to keep prisoners employed in the greatest possible variety of ways, as Dr. Katherine

Davis has always done at Bedford Reformatory, to substitute for the sake of physical health, in the place of monotonous, indoor manufacture, agriculture, horticulture, roadmaking, cement work and every available outdoor occupation. Yet it is thus alone that prisoners can be helped in body, mind, character and ability for self support.

Since the National Consumers' League began its agitation for this legislation, the Booher bill has twice passed the House—unanimously in 1912, and by a vote of 302 to 3 in 1914. On August 25, 1914, the Senate Committee on Interstate Commerce reported it favorably, and it is now on the Senate calendar. It has been amended to exclude paroled convicts and eleemosynary institutions for minors, and to take effect in 1916. There is no hope of its passage in 1914, but it should pass at the short session. Under the chairmanship of Julian Leavitt, the Committee on Prison Contract Labor of the National Consumers' League will agitate for the Booher bill until its efforts are crowned with success.

Safety at Sea

We who are the great nation of travelers might reasonably be expected to care for safety at sea. Such is, however, not our record. In advocacy of Senator La Follette's bill intended to make sea travel safer for both passengers and seamen, no passenger has ever appeared before any Congressional committee save only the writer of this article.

This bill passed the Senate in March, 1914, and was held in the House Committee on Mercantile Marine and Fisheries until August, when a substitute bill passed the House and was sent to a committee in the Senate where it now rests. Until the Consumers' League, at its annual meeting in November, 1913, endorsed the La Follette bill, the struggle for safety at sea had been left, for full twenty years since its beginning, to the seamen. Even the loss of the *Titanic* caused only a ripple of interest in social legislation of this character. Following that monstrous destruction of human life, Congress contented itself with requiring continuous wireless service with two certificated wireless operators on board ships leaving our harbors. There is unceasing influential effort to relax even this slender im-

provement; and this nation will be fortunate beyond its deserts if, at the close of the present Congress, our statutes do not assure us less safety at sea rather than more.

There is a certain grim irony in a joint effort for safety legislation carried forward by seamen who, by reason of their calling, cannot impress their wishes effectively upon their senators and representatives, and by women who have no votes!

The writer having, throughout a quarter century, striven, not altogether fruitlessly, to promote social legislation feels increasingly with each passing year that the position of a voteless woman thus occupied is discouraging and a little ridiculous. She, therefore, especially welcomes the publication of the present issue, being convinced that the readers of *The Annals* can, if they will, obtain the passage by the present Congress of the Bristow-Mondell resolution. After that the relation of women to social legislation will enter upon a new and immeasurably more hopeful era.

WOMEN IN MUNICIPAL ACTIVITIES

BY NEVA R. DEARDORFF, PH.D.,

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Someone has described the evolutionary progress of humanity as the migration of a great unorganized horde, sometimes wandering this way, sometimes that, but always keeping in a general forward direction. From the mass appear a few individuals, who, by reason of their ability to see ahead, assume the guidance of and give a certain bent to the migration. But women have seldom enjoyed the exercise of such leadership. It is true, in times of confusion, a woman here or there has found herself in the front ranks, as did Joan d'Arc or Queen Elizabeth, but however well she acquitted herself, her achievements failed to open the way for women. She was an accident and regarded as such.

Woman's place in the crowd of a generation ago was immediately back of her masculine kinsfolk. Here she enjoyed protection from the rough elbowing of the crowd, though in return for this shelter she forfeited her liberty and was expected to devote all of her physical strength and mental energy to pushing some particular masculine protector to the front. Sometimes her efforts were appreciated, frequently they were taken for granted, since etiquette favored a covert manner of pushing. But the rules of the game have changed. Partners and co-laborers are taking the places of lords and masters. Farmers, professors, clergymen, politicians, in fact, husbands of every calling are coming to see the advantage of having a wife beside, instead of behind, them. They now take pride in the wife who enjoys an outlook on the world which enables her to help far more intelligently and effectively than did the wife of a generation ago.

It is a very similar change that has taken place in the work of women out of the home. As long as they were the hard-working secretaries or deputies of public officials, the phenomenon of women in public life was scarcely noticed. Now that they are emerging from obscurity and are becoming visible in the front ranks, their appearance is hailed as a radical change in the order of things. Such an assumption is, of course, absurd. It is a very short, though con-

spicuous step, that women lately have taken. If women, as a class, had ever been the helpless, shallow creatures they were supposed to have been, they could never now assume their new responsibilities so completely, and take their places as executives and leaders so easily. Nor can there be much pessimism regarding their success in the work which they have been doing for a comparatively long time, but in doing which they have only lately come under observation. Women are now doing openly and frankly what they formerly did stealthily and in secret. And men, who a few years ago would have hesitated to acknowledge the intellectual equality of the sexes, are now inviting this open coöperation.

It is to accomplish certain results in municipal endeavor that has most generally brought women out of their obscurity and forced them to act in organization. While the family may be the basic institution of society, the community environment to a very great extent determines its success or failure. Women have followed where reason led, and have seen that the municipal organization had to do with things it was essential should be well done if their efforts as mothers were not to be negated. The water pumped to their houses, the street, the alley, the school, the hospital, the street car, the park, are all powerful aids to the development of a healthy and enlightened family life, if they are well managed; but they are also agencies for evil, if poorly managed. Typhoid water, dirty and dark streets, unguarded crossings, ill-ventilated and poorly lighted schools, mismanaged hospitals, street cars unequipped with safety devices, unpoliced parks, are all capable of destroying the product of years of patient effort on the part of mothers. In the humanitarian activities of the community, the almshouses, foundling asylums, and institutions for custodial care, women have seen that functions traditionally theirs were not invariably performed to their satisfaction by their male successors. Reason and sympathy have combined to force women to assert themselves. That the justice as well as expediency of their demands has been obvious is shown by the comparative ease with which they have acquired the municipal franchise in so many places.

Outside the use of the ballot, women have made effective their demands in two ways—one in organized groups of citizens watching the office-holder, and letting him know that he is being watched, offering suggestions, and endorsing the official who succeeded; the

other as office-holders, actually doing the job from the woman's point of view.

In the first of the ways women have adopted, they have been very successful. Using an instrument, the woman's club, formerly devoted to concerns less practical and vital, remaining to a large extent non-partisan, demanding of all office-holders efficient administration, they have become powerful moulders of public opinion regarding the questions in which they have interested themselves. Through the woman's club, they have studied their problems with a seriousness and application that could not fail to bring results, and through the power that organization creates, they have forced recognition of their views. Publicity campaigns have been carried on with vigor and resourcefulness. When women have once become convinced that something vital to their homes is at stake, it is a waste of breath to talk about political expediency.

Of late the clubs have broadened their interests to include municipal activities, less obviously though no less really connected with the home than those enumerated above. They are studying tax assessments, city planning, charter revision, in fact everything that their municipal government is going or proposes to do. As a result of this study, they are demanding, where it seems necessary, a logical expansion of municipal endeavor. If schools are seen to be avenues of contagion, adequate school medical inspection is demanded by the clubs. If the city has municipal markets, the clubs are demanding efficient supervision over the foodstuffs offered for sale. If the city supervises the milk supply, the clubs are ready to pass an intelligent judgment upon what is being done; and when in all of these matters the city fathers evade issues by talking learnedly of finance, the clubs, armed with information, are ready to bring them back to the point. After such education and experience as this, women cannot go back to the old individualistic conceptions, even if they would; what was once an experiment is now a duty.

The salutary effect which the clubs have had through their non-partisan scrutiny of public officials has been so great that this phase of their activity is being rapidly developed. The California Civic League, the Civic Club and the Woman's League for Good Government in Philadelphia, Chicago's Committee of a Hundred, are typical of this departure. It was the absence of such interest and coöperation on the part of citizens a few years ago that allowed our American municipalities to fall into such evil ways.

In the second of the methods—namely, office-holding—by which women are making effective their demand for government that will conserve their interests, the avenues of approach have been opened in several ways. Foremost among these has been the merit system or civil service for appointment to municipal positions. As long as appointments to offices can be made from purely political motives, women in the male-suffrage states are practically excluded. Where offices mean votes, indirect influence is usually at a discount. When, however, it is no longer a question of “taking care of the boys” or of accommodating a ward leader, and officers are chosen because they can demonstrate their fitness, it becomes inevitable that women will qualify and secure appointments, though it sometimes requires a little time for a thorough-going application of the new principle. The situation in Philadelphia is fairly typical of the United States generally. In regard to it, Mr. Lewis H. Van Dusen of Philadelphia reports:

When the civil service commission, of which I am a member, came into office in December, 1911, and for sometime thereafter, it was the custom to admit to the examinations only men, unless it was specifically provided in any special case that women might enter. Under that plan women, of course, were permitted to participate in examinations for stenographers, clerks, nurses, and other similar positions, but early in the year 1913 our commission completely reversed this procedure and ordered that all examinations for all positions whatsoever be open to men and women alike unless specifically otherwise provided, and we have continued up to date admitting women to all examinations regardless of whether there was a likelihood for their appointment or not. . . . In other words, since the early part of 1913 men and women have competed in all cases upon exactly the same basis in our examinations.

That this means more than a merely theoretical equality is abundantly proven when Mr. Van Dusen still further reports that in the “last examination for the highest grade general clerical positions, salary \$1,250 to \$1,600 per year, the proportion of women who competed successfully was considerably greater than the proportion of men who competed successfully.” Efficiency is in too great demand for such a condition as this not to lead to the logical results.

The debt women owe civil service is not confined to its having opened the doors of opportunity to them. Because of its exercise of selection among women on the basis of experience and capacity, it has assured their success in the critical beginning period. It is

very doubtful whether women would have made the progress which they have made had the advance guard been chosen in a hit or miss fashion.

Coördinate with the opportunities through civil service have come the demands for women's services to perform the new functions which city, state and federal government have undertaken. With the change from the old ideal of as little government as possible to the new ideal of government as an active, positive agency of community welfare, the services of many kinds of people are being required. And among these new workers are women. Although there are many things that women cannot do, there are many that they can do equally as well as men, and there are a few which only they can do. And while it is true that it is largely as a result of the demands of the women citizens that much of this social service has been assumed, once assumed, it is practically impossible to carry it on without women. One can scarcely imagine, for instance, a court of domestic relations, a bureau of child hygiene, a hospital social service department, a recreation centre, a juvenile court, being run without women. And we are rapidly coming to see that a police system without women is bound to fall short of what we expect of that branch of the public service. Twenty-three cities have police-women, Chicago leading the list with twenty. In Portland, Oregon, Tacoma, Washington, and Oakland, California, there are departments of public safety for women and children.

It is not only in the field work that municipal social service has given women a chance. It has been an effective entering wedge for securing recognition for them on municipal commissions and boards of trustees which supervise these activities. This reaction seems to be general throughout the greater part of the United States. In Boston, women have generous representation among the trustees of the city's public educational, charitable and reformatory institutions, though in the city's many other activities, but one woman has been thus recognized. The appointment of Dr. Katharine B. Davis as commissioner of correction for New York City is characteristic of this new welfare movement. It is expected that her department will be transformed so far as is possible from an organization for meting out punishment to one worthy of its name.

There are other kinds of municipal service, not exclusively women's work, for which, however, they are well adapted. Typical

of these are inspectorships of streets, markets, garbage collection and similar activities. As a garbage inspector in Chicago, Jane Addams showed what efficiency and conscientiousness could accomplish when she secured the removal of eighteen inches of filth and refuse from a paved street, even though her achievement did not astonish the Italian neighbors, who, as she points out, were accustomed to seeing buried cities exhumed. At present, the Rev. Caroline Bartlett Crane is leading the van of women food experts; Miss Mildred Chadsey of Cleveland, Ohio, has set the furthest point of advancement for women sanitarians; Prof. Emily G. Balch has won a position of leadership in city planning in Boston.

Of the new fields which are opening up for women none is more interesting nor offers work more fundamental to a successful civic development than the position as tax assessor. Taxes touch people in such a vulnerable spot, and a just and efficient system of assessment is so essential to public welfare, that if women succeed as tax assessors, they will have met and solved one of the most delicate problems in government. They are now being tried in Spokane, Los Angeles and Chicago. The chances of their success are considerably enhanced by the experience in judging the value of goods which women have acquired in the household.

And finally, the franchise itself has flung wide the doors of public office to women. Where women vote, they hold offices quite regardless of whether the work to be performed is "womanly" or not. In cities and in villages, in the woman-suffrage communities, they have been elected to every kind of municipal position, even including the mayoralty itself. When, in 1913, Denver adopted a commission form of government, it had in office a woman recorder, Lucy I. Harrington, who was retained to perform the same work, though the title of her position has been changed. Denver also has a woman, Ellis Meredith Clement, president of its elections commission, which has complete control over all elections held in the city and county of Denver. Kansas City has a woman, Laura A. Jost, city treasurer. San Diego, California, has a woman, Miriam E. Rains, city recorder. Chicago has a woman, Anna E. Nichols, secretary of the civil service commission. Out of the seventy-two members of the commissions which have administrative direction of the city departments of Los Angeles, nineteen are women. That these are not confined to the purely social service activities is proven in the case of Mrs. D. C.

McCan who is vice-president of the civil service commission and a member of the efficiency commission.

Running parallel with the municipal activities of women have been similar developments in state and nation. Here, as in the cities, women have exerted powerful influence in securing legislative provision for the enterprises in which they are interested. They have taken positions in state and federal government very similar to those taken by women in municipal activities. If the progress of humanity in general has been that of an unorganized horde, such a condition does not characterize the progress of women within the last two decades. Organized, alert, and trained, they are far more nearly described as being that of a drilled army, if one may use a military metaphor to describe a group of people traditionally the enemies of war.

CIVIC ACTIVITIES OF WOMEN'S CLUBS

BY MARY I. WOOD,

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FOREWORD

BY MRS. PERCY V. PENNYBACKER,

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Since *The Annals* is prophetic as well as historic, I desire my foreword to Mrs. Wood's stimulating account of "The Civic Activities of Women's Clubs" to forecast what I hope may be a leading feature of our work during the next two years.

As a country we are almost united upon the fact that the great question facing us is the betterment of rural life. The city problems may seem important, but they are in reality only a drop in the great ocean as compared with the problems that affect the millions of our people who dwell in rural communities. Someone has well said that reforms in a city are mere makeshifts, but that if we reach the masses in the country, we have gone above the rapids, and prevented the terrible destruction that comes from the cataract.

It is not enough for our rural people to *produce* more in the fruits of the field, they must have opportunity to *live* more. Especially is this true of the boys and girls, the young men and the young women; their lives must be fuller and richer or the country cannot hold them when the city beckons.

We have had shown at our various fairs and expositions the model community that should exist near every rural school. There is the church with the minister's house hard by, the store, the doctor's home and office, and the school building which is to be used as a social center. Now if this school is to be a success, if this school is to be a real center of the best social life in the community, it must be presided over by a teacher who has at least some degree of permanency. Nothing will sooner give this permanency than a comfortable house, with a plot of ground, where the teacher can have a settled feeling. Even if an unmarried woman she can generally form a home for herself and the visiting nurse, which nurse the community needs solely. Not ten per cent of our people realize the sacrifices made and the difficulties endured by the country school teacher. If we could see the physical discomforts, the poor food, the lack of privacy, the ill-ventilated bedroom, the long walk, the absence of janitor service; in fact, oftentimes, the lack of everything to make life sweeter, easier and healthier, we would wonder that any group of men and women could be found to endure such privations in return for the pittance doled out to them in the way of salaries. The day will come when a poet will rise to sing the virtues and unselfish service of the country teacher.

If the million women in the General Federation would concentrate for the next two years in an effort to bring about a model settlement and especially to establish teachers' homes—school manses—in connection with at least one school building in each county, they would be serving the entire nation.

About four years ago a certain man, high up in America's civic councils, in speaking of the woman's club movement, remarked, "It is one of the greatest, if not indeed the greatest, of the civic forces of modern times," and today that statement would be challenged only by one who either, being blind, has not seen the nationwide civic awakening or, being obtuse, has refused to attribute this awakening to its proper sources.

The club movement was begun nearly fifty years ago as a cultural movement and, as such, was criticized, ridiculed or encouraged according to the state of mind or powers of observation of the critic. It soon became evident, even to the most ardent advocate of the cultural movement, that the service which the club women were to render to humanity was not wholly of a cultural character. Very early the club women became unwilling to discuss Dante and Browning over the teacups, at a meeting of their peers in some lady's drawing room, while unsightly heaps of rubbish flanked the paths over which they had passed in their journeys thither. They began to realize that the one calling in which they were, as a body, proficient, that of housekeeping and homemaking, had its outdoor as well as its indoor application. They soon learned that art, in its best and highest sense, was a thing, not of galleries and museums alone, but that it was a thing of practical, every day life and that, wherever there were cleanliness and symmetry and beauty, there was art in its best and highest sense. They learned that well kept lawns were but the outer setting of well kept houses, and that back yards and back alleys had their places in the great science of home making; they learned that tenement house and factory conditions were but phases of the daily lives of other women; and that juvenile courts and playgrounds and eleemosynary institutions were determining factors in the character of many another woman's child.

It was this knowledge, the extension of the home making instinct of women and the broadening out of the mother instinct of women, that led them out into paths of civic usefulness.

In the meantime, while individuals and individual clubs were learning their duty to their community life, the General Federation

of Women's Clubs was growing to great dimensions until, today, a rough although not exaggerated estimate of the membership, direct, indirect and allied, places the number of women in that organization well beyond a million and a half. A million and a half of women in America, turning their attention toward the betterment of existing conditions, can scarcely be disregarded, the mere fact of numbers alone forcing us to recognize this force as one of the greatest factors in the entire network of civic advancement of America. But this is not a question of numbers alone: it is a question of determined action and great actual results. There is no loud-sounding slogan; no great creed of many words. It is simply an unchartered but highly contagious epidemic of civic righteousness which has laid hold of the women of America, these wives and mothers who are coming to interpret their duty to their own families in a language which shall be known and read by all mankind. If the club women of America have a slogan, it is "Service;" this one word is at once their slogan, their creed, and their ultimate goal.

No single address or magazine article can do justice to the civic activities of the club women; it is a story in which each community has its chapter, for these activities reach from the lecture course of the small club in the rural community to the many-sided work of the great departmental club whose work is interwoven into every good deed which the great city knows.

Thousands of towns, cities and hamlets can bear testimony to the work of these organized women: there are more sanitary and better ventilated schoolhouses; there are more numerous parks and more cleanly streets; there are district nurses who visit the sick poor in their homes and give instruction in the simple rules of wholesome living; there are sanitary drinking fountains for man and beast; there are vacation schools and playgrounds; there are juvenile courts and equal guardianship laws; there are cleaner markets; there are many free public libraries and thousands of traveling libraries; there is a lessening of objectionable bill-board ornamentation; there is a determined campaign, nation-wide, against the housefly; there is a more intelligent knowledge of the prevention and care of tuberculosis; in short, there is scarcely any movement for the betterment of living conditions or for the social and moral uplift of the American people that has not received a helping hand from the club woman. It is not fair to note examples,

for each single instance might be duplicated a thousand times; nevertheless a few examples may serve to bring these activities in a concrete form before the reader.

In a little town in Iowa the women, who came in occasionally from the farms to do a little shopping, had no place other than the store counter or street corner where they might wait while horses were shod, corn ground, and politics discussed, determined to improve conditions. They organized with committees on: streets and alleys, main street and railroad stations, public health, municipal business, membership and entertainment. One hundred and seven women in that little town joined the club during its initial month. They decided first upon an annual clean-up day: they were housekeepers, all of them, and cleaning house was an annual necessity to their code of morality and life. The committees got to work and streets were weeded; alleys were cleaned up; bonfires put sweepings and papers beyond danger of return; the depot, the loafing corners and the public places were cleared of tobacco juice and other offensive signs of the thoughtless, careless citizen; yards were raked; cans, garbage and brush carted beyond the town limits; ordinances were passed prohibiting offensive practices, and posters were put in all public places; two cement troughs furnished to thirsty and tired animals water where none had been before; the river banks were cleared of brush and sign boards; and finally a four-room cottage was purchased, moved to a central lot, mounted on a cement foundation, ornamented with a cement porch, painted and papered free of charge by the willing hands of the women themselves, furnished by donations of every kind known to the comfortable home, from tea towels to rocking chairs, and the little house became a social center for all kinds of meetings; lectures, private parties, rest rooms—even the city council holds its meetings now in the woman's building. Finally came the library, beginning with one hundred volumes; and this civic club, having been in existence but six years, has well nigh revolutionized one small town and is itself free from debt. Multiply this town by many thousands of other similar examples and think of the civic value of the club movement.

A mere account of accomplishments cannot bring out the value of such endeavor in growth of public pride, in development of a community spirit, and in power of example to the youth. Nor does the woman's club work by itself: the gradual raising of public opinion

which accompanies the civic activities of the club women everywhere may well be termed its greatest asset. Activities, which attract the interest of the mother of a family, with a full consideration of the conditions which aroused them and the results expected, form the topics of daily conversation in the family. Father, mother and children become enthusiastic over the subject and interest spreads to neighbors, friends, men's clubs and street corners until that which was begun timidly and with serious apprehension at a club meeting ends in a community interest sufficient to revolutionize public opinion and to bring about real reform. Nor are these activities confined to one state: every state in the Union feels and knows and is benefited by the club and federation interest in civic affairs. Each state has its civic club or its civic department of the cultural club and an awakening civic consciousness is everywhere state-wide because of these clubs. A few examples, taken at random from different states, may serve to show the varied and useful directions in which the woman's club is working for civic betterment. Nor will these examples be unusual ones or even the best in many instances: the selection is as fair as can be made showing simply the natural trend of the club movement in all things useful and beneficial to the community.

In the state of Kentucky there is a civic league of women, fifty in number, in an active little town of about four thousand people. This league has recently taken an unsightly corner lot, adjacent to the town water supply, and made of it a lovely little park. They have taken also an active interest in the public schools and, by securing the registration of women for the school election, were instrumental in materially improving the personnel of the school board. They have made great progress in inducing the grocers to remove the foodstuffs from the sidewalks; they have inspected and censored two motion picture theatres; they have inaugurated an annual clean-up day, organized two patrols of boy scouts and installed a traveling library.

In Lexington in this same state there exists the finest example America possesses of a neighborhood school, a school and community house and social center combined. This school owes its existence almost entirely to the activities of women.

A Connecticut club during the past year laid over two thousand feet of sidewalk, beautified the grounds about the railroad station,

gave prizes for interior and exterior improvement of schoolhouses, and for excellence in school garden contests.

One southern club set out in a single year a beautiful avenue of five hundred catalpa trees; another cared for the hitherto neglected cemetery, righting up headstones, mowing vacant lots, building fences and erecting a handsome gateway and planting more than a hundred shade trees; another maintains a branch of the public library in the poorer district of the town, furnishing all books and paying for the services of a librarian and for all incidental expenses.

The last named club maintains also a reading-room in one of the fire stations and keeps in circulation in the schools and smaller towns of the county several traveling libraries. It has given prizes to the girls of the local schools; has been instrumental in bringing about a saner celebration of the Fourth of July, Hallowe'en and Christmas; has assisted the local men's club in bringing to the town a seven days' Chautauqua, and has aided the mayor and a local fraternal organization in filling the empty Christmas stockings of several hundred little children.

In New Mexico there is a club of about thirty-five members which has succeeded in raising the money to build and equip, without the aid of any great philanthropist, a ten thousand dollar library which has a collection of about four thousand volumes, maintains a children's room with story-telling hours for the little children. It also has charge of the public plaza and cemetery and has transformed the latter place from a desolate and forsaken spot to a place of beauty with trees, flowers, grasses and neatly kept walks and drives.

A club in Oregon has obtained a forty-acre park site and preserved the old Fort Dalles blockhouse, used during the Indian wars. In South Dakota we find a club in Ft. Pierre which has erected a public drinking fountain at a cost of several hundred dollars. In Arizona we find manual training in the public schools of one city due solely to the efforts of a club of women who raised the necessary funds and secured the necessary legislation. Colorado boasts of a club of women who appealed in vain to the city council but, not deterred by this refusal on the part of the city fathers, took their own school-boy sons on Saturday and cleaned up the town themselves. Illinois, even outside of her large towns, could tell some wonderful stories of accomplishment, not the least of which

is the circulation of plans, drawn by experts, which have been loaned not only in the state but to the reading public of the country, in order that back yards may be made beautiful by inexpensive but careful planting. Who does not know of the work of the New Orleans club women in behalf of a better sewerage and drainage system; or of the effort of the women in Maryland to convince the Baltimore merchants that smoke is an evidence of wastefulness rather than thrift, and who taught them "to burn their smoke rather than their money?" The teaching of thrift to the children of the public schools in Massachusetts belongs to the credit of the club women: it was reported that during a single year forty clubs reported the saving of over \$300,000 by the school children of that state. If, instead of hundreds of towns where civic work has been accomplished by club women, Missouri had but the one example of Kirksville, the club movement would have made a most valuable contribution to civic work in that state. There is scarcely a corner in that city that does not bear testimony by its cleanliness or beauty to the work of the club women.

From several states came reports of bathhouses, built and maintained by club women; of schoolhouses opened as social centers; of incinerators installed and a new system of garbage and waste collection; of municipal abattoirs and better state inspection; of cleaner bakeries; of better milk and water supplies; of women police officers on duty; of free medical dispensaries and clinics; of rest rooms by the hundreds. When we ask the reason for these things, the answer is unanimously, "The woman's club did it."

Perhaps the civic undertaking which will, when completed, attract to itself more comment than any other is the beautifying of the proposed Lincoln Highway which will stretch across our great country from the Atlantic to the Pacific. In her report of the Lincoln Way Tree Committee of the General Federation, made to the Chicago Convention the chairman says:

The Lincoln Way Tree Committee is already working on a comprehensive planting plan for the entire distance from ocean to ocean with the purpose of having each state adopt a style of gardening of its own as different as possible from every other state. The coöperation of governors, and mayors of towns through which the highway passes, of landscape gardeners and horticulturists in state universities, of state and city foresters, has already been asked and in many cases promised.

In the work of planting the Lincoln Way we may weave garlands of sentiment, but a well-planted highway across our continent is a very practical undertaking which interests and benefits all of our people socially, educationally and economically.

It offers a new medium of travel which will necessarily make for prosperity, inspire love of country and a patriotic desire to see America first; while at the same time it will prove an irresistible invitation to travelers from foreign lands.

In addition to the Lincoln Way, we are undertaking to plant thousands of miles of main roads which will connect with the Lincoln Way. One of these starting from Chattanooga will pass Lincoln's birthplace, and, dividing in Kentucky, one branch will pass McKinley's home, while the other courses northward to join the Lincoln Highway in Indiana.

All clubs are asked to coöperate with the school teachers to secure the participation of school children in this work for better roads and a more beautiful America.

Summing up the civic activities of American club women, Miss Zona Gale, recent chairman of the Department of Civics in the General Federation, says:

The actual status of civic work being done by the federated clubs of the United States is sketched in the accompanying outline, furnished by the civic chairman of the various states.

It will be seen that the growth in civic work among clubs consists:

1. In the introduction of civic departments in department clubs.
2. In the study of civic and social conditions by study clubs.
3. In the organization of workers for actual civic advance.

And of the three, the second and third greatly predominate.

It is also observable that in the third activity, the work proceeds along the same lines. The initial steps usually include "clean-up" days, the buying of trash baskets, prizes for back-yard improvement, the attacking of billboards; all admirable. Next comes constructive work in beautifying; the planting of small open squares, the hope of a little park, the placing of seats in sightly places. This leads naturally to work for sanitation, the clearing of alleys, garbage collection, fly campaigns, bubble fountains, abolishing the exposure of food on sidewalks, of street-sweeping during traffic hours and without the use of the hose, medical inspection of school children, the tuberculin testing of cattle, the anti-tuberculosis work in various forms. Then inevitably comes the still more human element, the element constructive as well as preventive: playgrounds, domestic science and manual training, a gymnasium for the schools, the development of recreational facilities, attention to motion pictures, investigation of the treatment of juvenile offenders, the condition of local gaols and lock-ups, of child labor, of factory and shop conditions in general—hours, sanitation, wages, and so, gradually to the whole underlying industrial situation, and to the economic conditions which have begotten it.

Most of the civic clubs are working in the earlier stages. Indeed, when they get to the later stages, they are likely to dissolve and to enter the field from another direction. But no civic club can wish for its members anything better than so to educate them that they will pass from the initial stages of civic effort on to the direct work from whose growing area the call for workers sounds so clear.

Meanwhile, from these reports, and from the answers to the questions which accompanied the requests for them, and above all from the hundreds of letters which have passed through the department in those two years, one fact seems to me to stand out most clearly:

That if our actual organization is to keep pace with our dream, then we must realize that no dream can continue indefinitely on volunteer work alone.

The truth is that the civic department has now outlived its period of amateur effort, and that the work has grown too large for the hands of the volunteers who are attempting to carry it. If we are to get, not our maximum, but even a fair proportion of efficiency from the splendid unselfish desire now awake and alive in club women who are civic workers, then we must introduce into our work that to which every volunteer work must grow: The coöperation of trained and paid organizers.

To illustrate: In Wisconsin, there have been sometimes a dozen requests to the State Civic Committee for the chairman to go to towns to organize for civic study and civic work. No woman, unless she give her whole time to the work, can carry on activity such as this. Not only so, but there is an enormous borderland of towns not yet at the point of asking for help, to which somebody should go to initiate civic work, and create the demand for further coöperation from outside. And this should be done systematically, county by county in each state, until not a single community is left in any state whose members have not had a direct chance to come into the great new current of social consciousness which is pouring round the world.

Concretely: The recommendation of the chairman of this department would be for the appointment, by the General Federation Board, of a paid civic organizer, whose duty shall be to go from state to state, where the need is shown by these and later reports to be the greatest, and to coöperate with the civic chairman of these states in the organization into civic clubs and civic departments of the many whose civic sense is awake, but who need direction as to how to function. Best of all, such an organizer would organize not only clubs but whole communities into self-conscious bodies, meeting for the transaction of their own social business.

There is the most urgent and immediate need for this sort of work; for someone who understands the immense educational value of such work as she can direct the clubs and communities to undertake; both in program planning and in the adoption of definite activities—someone who sees what the social awakening means. Never was the need of an endowment fund better exemplified than in the sharp need for the immediate appointment by the board of such an office, and in the certainty that, unless this is done, precious time and willing impulse are going to be irreparably lost to us.

Eventually, every state must have such a paid organizer, a civic secretary, if you like, supported by the state. Eventually, every town must have, supported by the town, such a paid civic worker, a municipal secretary, if you like, a director of the great uncoordinated civic impulse stirring alive in town, large and small, and at last understanding that a civic secretary, a secretary of social work and recreational life, is just as vital as an inspector of weights and measures, of buildings, of sidewalks themselves.

Such are the dreams; such are the aspirations; and such are the accomplishments of the women's clubs of America in regard to civic betterment.

WOMEN IN THE JUVENILE COURT

By EMILY FOOTE RUNGE,

Assistant Probation Officer, St. Louis Juvenile Court, St. Louis, Mo.

A woman came into the court the other day to get information about our work and about what she must do to get a position in the probation office. While talking to her, she expressed surprise that we had any *men* officers, saying she had always supposed the juvenile court was made up of *all women* except possibly the judge who, she knew, was usually of the male persuasion. This was the first time it had ever occurred to me that anyone could have imagined the work as being done entirely by women, because when I first went into the work in St. Louis, I found a man probation officer had been visiting some of the girls, that he made investigations in cases where the delinquent girl was involved; and then I heard that it was not uncommon in juvenile courts for men officers to be sent to the homes of these delinquent girls to get information and reports. It seemed on the very face of it as if this procedure would have been considered unwise, but so do people look on such things at one time, when a few years later they would not countenance them.

There are two capacities in which women serve in our juvenile court: that of probation officer looking after delinquent girls and supervising neglected children, and of hearing the reports of and visiting the delinquent boy up to the age of fourteen, and that of judge or referee in the cases of delinquent girls. We make this age limit because we think that the boy up to the time he leaves school is better off in the hands of a woman, though this rule is not arbitrary, and some of our men officers take charge of small boys; but, with very few exceptions, we believe women should not take, as probationers, boys over fourteen, this age being better understood by the men, the problems of this age whether physical, mental or economic, being better handled by men and the men appealing more than women to boys over that age; although even here the rule is not cast-iron. There may be cases in which the big boy having a pretty good sort of a father but no mother, or worse than none, may profit by having the friendship of a strong fine woman

who can give him the kind of attention he has missed in his own home. Then, on the other hand, there are cases of boys under fourteen where there may be no father but a good mother, and here again the rule need not be followed, and we will assume that this boy may do better through having a man for his probation officer, in order to supply that temperament and point of view which he does not get in his own home, and the lack of which shows in his make-up.

These questions should allow of much latitude, should be treated with as much individuality as possible, and the individual probation officer be so carefully chosen that these matters could be safely left to her discretion and judgment, so that she would be able to see when a child would be better off under some other officer than herself, and make the transfer because of specific reasons. These transfers may be made to advantage from a woman to a man officer and vice versa, or from officer to officer according to temperament and intuition.

I recall one boy of school age with whom I labored to get acquainted. Every time he came to report or I went to his home, I had to begin all over again—there seemed to be a barrier between our natures. I turned him over to a man officer who shortly got his confidence and was able to help him.

In another instance a man officer turned over to me a boy he had worked with for several months saying that he had accomplished nothing, that the boy did not seem to respond to him and did not like him. I got at him easily and he made progress. Temperament tells here, just as surely as it does in the family or out in the world, some people "take to" others, some they cannot "get at," not for lack of trying, not for lack of interest, but because of something we do not ourselves understand.

When it comes to the care of the *girls* in the juvenile court, there can be but one opinion: that men should *never* take care of court girls.

The first day I went into juvenile court work, less than a decade ago, my first duty was to take a delinquent girl over to the city dispensary for physical examination. As she and I entered the waiting room, a young doctor called out: "Hello, there! juvenile court girl, eh? Well, what's the matter with you? Been naughty, eh?" Within three weeks after this experience, when I had gone back raging to the office and declared I would never again take a girl over there, I had arranged for such examinations to be made at

the house of detention by a woman physician, who on hearing my story offered her services gratis, and, moreover, instead of wholesale examinations, the girls were thenceforth subjected to them only when we decided they were absolutely necessary. There was criticism of this reform, there will always be criticism of such reforms and sneers at the sentimentality of them, but the women doctors know what it means and we of long experience with the girls know the difference, and the girls themselves are keenly alive to the situation, realizing, perhaps for the first time, why we have taken such a stand, but thoroughly understanding and appreciating it.

Some of these girls are overwise with regard to sex matters but in most cases their over-wisdom is due to inexact knowledge which has been derived from other girls, or from the gossip of their elders, many of whom do not, themselves, know the truth about these questions, so that there is a mystery, a vulgarity, a superstition enveloping the subject.

With these girls we must enter simply and plainly into the subject, telling them the truth, answering without hesitation all their questions, little by little drawing out their innate modesty, developing the spark of purity in them, and placing the question on a personal basis as regards themselves and someone they care for, or their brother and some girl he goes with.

All this is done only by close personal touch through visits to the girl, but, best of all, through her visits to me in the privacy of my own home. It isn't long before she forgets that her probation officer is an officer of the court, and, before she realizes it, she is talking with me in the most intimate way of matters which her mother has never broached, about which she has been curious and anxious to know, without a knowledge of which she is in danger all the time, and through ignorance of which she may have done something which was the occasion of her coming into the juvenile court and being placed on probation. In these quiet, private talks I discover how much she knows and how true her knowledge is, and then supplement it or correct any misconceptions, leading her along step by step according to her age and development.

An intelligent girl, aged 17, said to me—

I was a good girl up to 13. Then my elder sister (the mother had been dead several years) took me to a skating rink. She went on skating with a man and left me alone. A boy came up and asked me to skate; he was nice

and I liked him. When it came time to go home he asked to go with me. I looked at my sister, and she said, "Of course, that's all right." On the way home he told me I was sweet and pretty and that he liked me better than any other girl he knew. He came to see me a few nights later, took me to the rink another night, always flattering me the same way, I always believing him. In a week's time I thought it was awful nice to have a beau and I thought I loved him, so I was ready to do anything he told me to, and this was the way I began, not meaning to do wrong, and hardly realizing it was wrong until it was too late.

"Then," I asked her, "why did you continue to do wrong when you realized what you had done?" She looked quickly up at me with her nice blue eyes and hesitated a moment before she replied, "I suppose it was nature, for I couldn't help it after that." This has been my answer in many cases and I believe it is the answer in many more who are ashamed to tell me so.

Another girl, grown, married, said she had just turned twelve when she had her first experience, which also began by going with an older girl to a skating rink.

There were all sorts and kinds of boys and girls there, and the boys at the rinks are always those who never work, who are always on the bum. There were men and women there, too, and I now know that some of the women were from houses of prostitution, there for the purpose of leading girls astray, and the men with them were there to help them. The young men from 18 years up always take the young girls to skate because they can make them believe anything. They make love, offer presents, flatter, and make all sorts of promises if the girl will run away with them.

She blamed the boys, and said the girls were mostly like herself, ignorant, in for a good time with no intention of wrong doing, just led away by the pride and fun of having a beau, "A fellow who thinks we are it, and we believe every word he says. Then, when we once yield, we keep on because passion gets the best of us, and we don't know how to control ourselves; we've never been told things, nor how to keep good."

To speak plainly, after the first offense, there is the call of the wild, and these girls are too weak and too ignorant to resist.

From stories like these it is evident that men officers ought not to have dealings with these girls, that the men could not reach them in the right way, that there would be danger for the girl and temptation for the man.

The development, last winter in the St. Louis juvenile court, of having women act as referees to the judge in cases of delinquent girls, came about very naturally. Four girls, fourteen to sixteen years of age, who had been before the court and sent to an institution, ran away from it, got in with a girl they knew who was earning her living by having men come to her room, stayed with her, went through some horrible experiences in her room, were arrested and brought back to court. A new judge was on the bench that day. These girls came before him but he could get nothing from them. He took them to his chambers, but still they would not talk; so he turned them over to me to see what I could get. Soon the whole revolting truth came out, the girls even omitting details to me, being ashamed and disgusted with their experiences. "Nora," I asked, "Why didn't you tell the judge the truth? Didn't you see that he was kind and good and your friend?" "Oh, yes! He was so kind, but I couldn't have told a man what I have told you, for any amount of money."

Three days later, two women were hearing all cases of *delinquent girls*, besides doing their regular probation work—in order to try out the plan. It has worked well except that the referee has too much to do, and it only remains for an amendment to be made to the law to make it possible for a woman to sit legally on such cases, be paid for it and keep only a small number of probation cases.

The judge, who knew he was not getting the truth from those four girls and who felt instinctively that a man was not the one to question them about their sexual delinquencies, was right. Women will be more and more a force in the juvenile court as time goes on, but the powers that be must see to it that she be educated and refined, good and true; have mental balance as well as heart; be wide awake and intelligent, with broad sympathies and a broad outlook on life, for there is nothing we need so much in working with these girls and boys as a clear vision and a true perspective.

EQUAL SUFFRAGE—A PROBLEM OF POLITICAL JUSTICE

BY ANNA HOWARD SHAW,

President, National American Woman Suffrage Association.

The franchise has been granted to women on equal terms with men in nine states of the United States and one territory, namely, Wyoming, Colorado, Utah, Idaho, Washington, California, Kansas, Arizona, Oregon and Alaska. Everyone of the equal suffrage states is adjacent to one or more of the other suffrage states. Moreover, five of the states where equal suffrage amendments will be submitted to the voters in November border on one or more equal suffrage states. Surely no state would enfranchise its women, or would even seriously consider it, if equal suffrage had proved a failure just across the boundary line. Therefore, this geographical argument, as we suffragists call it, seems to us the very best one which can be urged as to the practical success of votes for women, proving, as it does, that the anti-suffrage bogies which make some impression in the East are merely ridiculous in the West where evil prophecies have given way before experience, and opinions are based on evidence, not on idle prejudice.

A similar practical demonstration of the results of equal suffrage has been made in Europe. For instance, in Norway tax-paying women were granted the municipal franchise in 1901, and the full franchise in 1907. In 1910 the municipal franchise was granted to all women, the full parliamentary franchise being extended to all women in 1913. If the Norwegian women had made a failure of their municipal suffrage, it is obvious that the parliamentary suffrage would not have been given them. If the tax-paying women had failed to demonstrate their patriotism and common sense, the non-tax-paying women would have failed to secure the franchise. The experience of Finland, whose women have had full suffrage since 1906, has been similar to that of Norway. Iceland, Denmark and Sweden are said to be on the verge of granting full suffrage to women after a reasonably long test of municipal suffrage. One after another the states of the Australian federation granted the full franchise to women, the last state being Victoria in 1908. There again each

state, except the first, had the advantage of knowing the results of the experiment in the neighboring states, and in New Zealand.

These facts, demonstrating satisfaction with equal suffrage wherever it has been tried, together with the mass of favorable evidence which has been presented to the public through the impartial columns of our newspapers and magazines, would seem to make it unnecessary to discuss votes for women from the standpoint of expediency, even if one believed that a fundamental principle should be affected by questions of expediency.

I personally am convinced that the enfranchisement of women should be considered from the standpoint of justice and logic alone.

Our demand is suffrage for women on the same terms as for men. Let us see just what this means. The men of this country have established and maintained what they call a democracy. The basic idea of a democracy is, they say, that it shall be a government of the people, by the people, for the people. So far, so good. But "people" has been translated to mean male citizens only. We ask, therefore, not that the established principle of government be changed but that it shall be held to apply to women citizens as well as to men citizens.

In general, every male citizen of the United States, native born or naturalized, is entitled to vote, if he is 21 years of age and has been for a certain length of time a resident of the state and county where he desires to cast his ballot. Idiots and criminals are generally disfranchised. In some states there is a slight educational qualification—the ability to read and understand the constitution—and in a very few states a small property qualification. On the other hand, there are some states where an alien is entitled to vote as soon as he announces his intention to become a citizen. But, with the exception of the provisions as to idiots, none of the causes for disfranchisement is such that a man can not overcome it or prevent it. He is not arbitrarily and irrevocably disfranchised, as women are simply because of their sex.

Occasionally, one hears a man say that the "ignorant men," or "the foreign-born men," or "the men of the lower classes" should not be allowed to vote, but no one makes any serious suggestion or prophecy of changing the form of government. Those who are dissatisfied with the present system apparently realize the futility of trying to take the franchise away from any class which has it, for,

although the men of the present day do not stop to consider why they themselves vote, and seldom recall, except to quote at political meetings, the sentiments which stirred our forefathers—"Taxation without representation is tyranny;" "A just government rests upon the consent of the governed;" "No man is good enough to govern another without that man's consent"—yet every man knows at heart that he could not be self-respecting if he were deprived of the ballot. He knows that whether the franchise is a right or a privilege, every citizen must have it in order to be free, since economic independence, intellectual independence, even spiritual independence can not exist without political freedom as a foundation.

Therefore, the question is not whether men should have a democratic form of government. They have already proved that it is the kind of government they want and the kind they intend to have, even though they make grievous mistakes in trying to live up to their ideals as to what a democracy should be. Nor is it pertinent to discuss whether the voter should meet certain educational, moral or property tests, because our only demand is that those tests be the same for men as for women. The question is, why should women, as women, be disfranchised? Or, in other words, why should women not have the ballot on the same terms as men, no matter what these terms are now or what they may be in the future?

There is no reason why they should not have it. If there were a reason, our opponents would have discovered it long ago. The fact that there is no reason explains why there is so much discussion of woman suffrage—discussion which plays all around the subject, but seldom hits it squarely. Our opponents are continually bringing forward excuses and evasions, which they hope will be mistaken for reasons, but we can seldom persuade them to limit the discussion to the merits of our equal suffrage contention.

For example, they claim that all or the majority of women do not want the vote, or that the women already enfranchised have not always used their political power in such a way as to please every one, or that the women who want the vote should be able to tell before they have it what they will do with it. I contend that we should not answer our opponents when they argue along these lines, because facts as to the results of equal suffrage, or the number of women who want suffrage, or the reason they ought to want it, have no bearing on our question.

Imagine saying to a man of 21, before allowing him to register for the first time:

You must prove satisfactorily to a majority of your fellow citizens that a majority of the men who are 21, or will become 21, want the ballot; that all the men already enfranchised vote at every election and vote intelligently on all questions; that you, yourself, will use your ballot for useful reforms only, and that you, as well as other men to be enfranchised in the future, can not accomplish the same results without the vote; finally, that you and all future voters will not neglect either your business or your families by taking part in politics.

The mere suggestion of such a procedure is so absurd as to seem out of place in a serious article. Yet the burden of proving that women can over-qualify in precisely such fashion is constantly placed upon suffragists by our press, our statesmen and many men known as serious thinkers along other lines.

It seems to me very unfortunate that we suffragists should ever permit ourselves thus to over-qualify for the vote, which is exactly what we do when we prove or attempt to prove our fitness for the ballot, and our need of it, on any other ground than that of mere citizenship. We should say: The reason men are enfranchised is that, as citizens, they have a stake in the government. The reason women should be enfranchised is because, as citizens, they have a stake in the government. That is all there is to this question of woman suffrage.

But I admit that the temptation to over-qualify is very great because we know so much of the hardships and the ignominy which women have always suffered, and are still suffering, by reason of their political subjection; because we know of so many evils which we want to remedy—evils which affect all of society, as well as women alone; because we know so many fine women who are greatly handicapped in their work by their lack of power; because we are convinced that the world would be a much better and happier place if men and women could work on equal terms; because we know of the splendid results which can already be traced to the enfranchisement of women.

Yet such knowledge constitutes after all merely an added incentive for unlimited determination and ceaseless work. It is the inspiration which makes us force the reason for our enfranchisement to public attention; but it is not in itself the reason.

To illustrate: Many women feel that the greatest good they can do with the ballot is to abolish commercialized vice, to prevent child labor, or to make effective their protest against war. This is perhaps true. We all agree that these evils must be abolished, and that women, unenfranchised, have not and will not be able to abolish them. But the evils themselves and the desire of women to right them do not constitute the reason women should be enfranchised. The reason would remain even though all the evils I have named, or could name, should be abolished at once. We and the women who come after us should have our political power to use in any way we think best. We cannot tell what it will be necessary to do; what women will want to do. All we know is that women must have power to take their part in the government of their country and that the only honest, dignified, legitimate kind of political power is that which is derived from the elective franchise.

There seems to be no difficulty in proving the justice and logic of equal suffrage to anyone willing and able to think clearly about it. The chief trouble lies in persuading people really to think about it at all. Many women, it must be admitted, do not appreciate the value of a vote. But men have not the same excuse. They understand perfectly the power which the franchise gives, though they themselves do not make the most of it, and they believe in the principles of democracy. The difficulty lies in making them apply these principles to women.

It is indeed fearful and humiliating to belong to a class of people men can forget when speaking of fundamental privileges, but it is even more unfortunate to belong to a class of people men can forget without knowing they are forgetting anything. That is the position of women today. That is the only explanation of the attitude of the President of the United States, whose writings on democracy contain, perhaps, the best arguments ever made in favor of equal suffrage. The only trouble is that the President was not thinking of women when he made these arguments and, therefore, did not apply his conclusions to women as well as to men. There are many men who, like the President, think of us women merely as the wives, sisters and daughters of men, and in their thought of legislation they do not separate us from themselves and their interests. So they say of us in governmental affairs just as they say of us in the family life: "We take care of you; we look after your interests; your interests

are safe in our hands." And, consequently, instead of opposing woman suffrage because of sex antagonism, as is sometimes claimed, they really oppose woman suffrage on the ground of sex guardianship.

And that is where we women have lost all along, not by the antagonism of men, but by the guardianship of men. The idea that we are under tutelage, that we are taken care of, that a woman who works 16 hours a day is supported, is responsible for the conviction that women contribute nothing to the country's wealth, that they have done nothing toward the upbuilding of the nation, and are, therefore, not entitled to an opinion on the nation's problems.

If men would divest themselves for one moment of the thought that women are related to them and other men, if they would think of women as they think of each other, as distinct human beings, with all the rights and privileges and desires and hopes and aspirations of human beings, then I doubt very much whether any man fundamentally sound and logical in his attitude toward great moral and political questions could ever again utter a democratic principle without recognizing its application to the womanhood of the nation.

WOMAN SUFFRAGE OPPOSED TO WOMAN'S RIGHTS

BY MRS. ARTHUR M. DODGE,

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Equal suffrage awaits a trial. Woman suffrage as tried in the United States is the most unequal division of responsibilities imaginable. The voting woman has retained most of the special rights and exemptions accorded her under man-made laws, while she has failed to discharge the obligations which the voting man assumes with the elective franchise. The vote of the man is a sort of contract to support the verdict of the ballot box, if need be, by the jury box, the cartridge belt, the sheriff's summons. The voting woman is exempt from these obligations. She is a privileged voter. While she may have political power, she does not have political control. Stability of government demands that the control of government should remain in the hands of those who can be held responsible for results. Frederick Harrison cautions us that "Men, and men only, are entitled to political control since, in the last resort, it is their muscular force which has to make good and defend it."

Certainly it is unequal suffrage while women retain the exemptions demanded by their physical nature, and exercise political power without political responsibility. Such inequalities menace the stability of the state. Some venturesome enthusiasts declare that women wish no special rights, no special laws, but wish to be treated "exactly as the men are." But such consistency as this is rare; it would be a brutal interpretation of woman's rights to insist that the hard-won body of legislation, which protects woman because she is the potential mother, be abolished and the vote given to woman in exchange. Yet this and this only is *equal* suffrage. "To treat women exactly as men" is to deny all the progress through evolution which has been made by an increasing specialization of function. Woman suffrage in its last analysis is a retrogressive movement toward conditions where the work of man and woman was the same because neither sex had evolved enough to see the wisdom of being a specialist in its own line.

Reform work, welfare work, desirable and necessary though they may be to offset the results of faulty education, are not the sole end of government. Legislation dealing with these measures responds to the pressure of public opinion which woman, the educator, supreme factor in the social order, dominates. But government is not reform legislation. In the last analysis government is concerned with the protection of persons and property. It is well for us in these days of fantastic legislation, of the promulgation of unenforced and unenforceable laws to recall Thomas Jefferson's dictum that a democracy ceases to be such when those who make the laws cease to be those who can enforce the laws.

We are all agreed on the right of every woman, as of every man, to that individual development which shall make possible her fullest contribution to the social order. If it can be shown, as Ex-President Taft suggests, that women

have been unjustly prejudiced by governmental measures or by lack of them and that they could remedy this by their vote, or if they can show that, by the extension of the franchise to women either the general government would be better or stronger, or the existing electorate would be improved in its average moral tone, its intelligence, its political discrimination, its patriotism and attention to political duties, they make their case.

In a democracy the people are "bound to obedience under what is undoubtedly the will of the majority." It has yet to be shown that the majority of women are behind this demand for political activities. If women are intelligent enough to vote, are they not intelligent enough to know whether or not they are ready to assume the responsibilities of government? Those who insist that political justice demands woman's enfranchisement must recognize the right of woman to say whether or not she shall be drafted into political activities, a right based upon woman's concern in the establishment and maintenance of sound public policies.

Under the common law which we inherited from England, woman suffered many disabilities and inequalities. Without the woman's vote and under man-made laws these inequalities have been gradually reduced until the statute books of most states record the legal rights and exemptions of women, laws which discriminate in favor of women in regard to such matters as dower rights, alimony, and personal property and laws, which show that woman, instead of being "unjustly prejudiced by governmental measures," has been

given special protection under the law in recognition of the fact that as a woman she has a special service to perform for the state and the state must surround her with protective legislation in order that she may be most efficient where the state demands her highest efficiency; in order that the motherhood of the race may be protected and that future citizens shall have the birth right and the inheritance of a strong and vigorous childhood.

Because of her lowered physical and nervous vitality, the woman worker has had to be protected in her industrial life in order that the state might conserve her value as the woman citizen. Women cannot be treated exactly as men are, and motherhood, potential or actual, does determine woman's efficiency in industrial and social undertakings. Merely dropping a piece of paper in the ballot box is not a contribution to stable government unless that piece of paper be followed up by persistent and oftentimes aggressive activities in the field of political strife.

While the cry for political equality (which we contend is political inequality) has gone on, the civil and legal rights of women have been established without the woman's vote. Furthermore, it may be stated that wherever the votes of women have been added to the votes of men there has been no evidence of initiative in legislation distinct from the normal trend of such legislation in male suffrage states. Since this is so, the woman's vote would seem to be a waste of energy, because a duplication of effort, and there is no compensating gain to offset the economic loss of two people doing what one person can do.

The woman's vote has not been necessary to open the opportunities for higher education to her. Women like Mary Lyon, Emily Willard and Catherine Beecher, who had no concern with the woman suffrage agitation, did their splendid pioneer educational work and the woman of today reaps the harvest. The right of woman to enter the trades or professions has been won independent of her political activities. It is true that a dozen or more trades are closed to her, but her participation in these threatens her welfare as a woman and the state reserves the right to limit her activities therein. Male suffrage states have recognized the need of vocational training for woman and have opened trade schools wherein girls might become skilled workers and so be in a position to command higher wages. The appalling fact of woman in industry is that she is often so young

and so unskilled that she consequently commands a low wage. A survey of the wage earning women of the United States reveals the fact that nearly one-third of these are under voting age. The right of the industrial woman to organization for collective bargaining is recognized. No vote of woman was necessary to give her this equality with the working man. The right of woman to protection in the courts, the right of our women to claim the protection as citizens under the United States flag, is established on an absolute equality with man's similar right, without woman's political activities. The married woman has the right to hold property separately; to make contracts and to control her wages. Equality would demand that a husband should have a right to his own earnings, but society demands that his earnings shall be liable for the support and maintenance of his family while, except in some woman suffrage states, the wife's earnings are exempt from such liability. Even in those states where equal guardianship laws are not written on the statute books the practice of the courts, in those unfortunate instances where the family is disrupted, gives the guardianship of minor children to the mother provided she is a fit person and can provide means for their support. The divorce courts certainly reveal no inequalities in the granting of divorce to men and women, while the courts grant to men no provision corresponding to the woman's alimony.

The first commission to investigate a minimum wage for women was appointed in the male suffrage state of Massachusetts. The fundamental basis of a standard law for woman in industry is acknowledged to be the prohibition of night work, because of the damaged health of the working woman who is engaged in industrial pursuits by night and undertakes woman's work in the home by day. Nebraska, Massachusetts and Indiana blazed the path for this legislation. Within the last year, the great industrial states of New York and Pennsylvania have followed. In none of these states do women vote, but in all of these states public opinion has demanded that woman should not be handicapped in the offering of her highest efficiency. The state cannot permit the creation of the efficient worker at the cost of the efficient woman. *Equal* suffrage would demand that woman should enter into competition with man in a fair field with favor to none, but woman's welfare demands protection under the laws.

The best child labor laws are found in male suffrage states. Industrial and economic conditions have revealed the necessity of these laws. Public opinion in which the work of women played a noble part has urged their enactment and the votes of women have not been necessary to further the release of the child from the burden of industrial life.

The hideous white slave traffic and the dread social evil must be corrected by education rather than by political propaganda. Laws must follow as the knowledge of the extent of the evil awakens the public conscience and the moral sense of the people is aroused. Woman will find her work as the educator who develops a trained and scientific opinion, not as the politician who must control votes.

Women have a right to demand political responsibility if thereby the existing electorate would be improved "in its average moral tone, its intelligence, its political discrimination, its patriotism and attention to political duties." The burden of proving that the enlarged electorate would be an improved electorate rests on those who demand the change. Many women are more intelligent, more moral than many men, but the morality and intelligence of women and men of the same opportunities and environment strike about the same average and it has yet to be shown that the doubling of the electorate, the wise, the foolish, the patriotic, the self-seeking, would improve the electorate. The enfranchised woman seems to give even less attention than man to political duties, if we are to trust election returns. If woman suffrage is to increase the danger which confronts us today in the indifferent and stay-at-home voter, the patriotic women have the right to protest against the imposition upon women of responsibilities which would not be fulfilled. The right to vote carries with it a moral responsibility of exercising the franchise, therefore the majority of women who do not believe in woman suffrage have the right to protest against this obligation.

The life of the average woman is not so ordered as to give her first hand knowledge of those things which are the essentials of sound government. Clean streets and pure milk are sure to come as the knowledge of sanitary living increases. Tariff reform, fiscal policies, international relations, those large endeavors which men now determine, are foreign to the concerns and pursuits of the average woman. She is worthily employed in other departments of life, and the vote will not help her to fulfill her obligations therein.

The exceptional woman, who by some combination of circumstances is released from these obligations of the average woman, is today rendering public service which is distinctive because it is removed from personal, political ambitions. She has the right to serve the state and serves well in proportion to her freedom from party strife; she does not divert her efforts for the solution of social problems to the machinery of political organization. Herein lies the exceptional woman's distinctive contribution, not as a politician but as a disinterested factor working to render public service uncolored by political motives. Our exceptional American women are rapidly entering the ranks of those who thus serve the state. The patriotic women of England have been conspicuous in this sort of public service. One of the greatest of these was Octavia Hill, who more than any other one person helped to solve the problem of the housing of the poor. Out of her real experience she wrote:

I believe that men and women help one another because they are different, have different gifts and different spheres and that the world is made on the principle of mutual help. A serious loss to our country would arise if women entered into the arena of party struggle and political life. So far from raising the standard, I believe they would lose the power of helping to keep it up by their influence on the men who know and respect them. Political power would militate against their usefulness in the large field of public work in which so many are now doing noble and helpful service. This service is far more valuable than any voting power could possibly be. You can double the number of voters and achieve nothing, but have used up, in achieving nothing, whatever thought and time your women voters have given to such duties.

Let the woman be set on finding her duties, not her rights—there is enough of struggle for place and power, enough of watching what is popular and will win votes, enough of effort to secure majorities: if woman would temper this wild struggle, let her seek to do her own work steadily and earnestly.

It is woman's right to be exempt from political responsibility in order that she may be free to render her best service to the state. The state has surrounded her with protective legislation in order that she may attain her highest efficiency in those departments of the world's work for which her nature and her training fit her.

THE SOCIALIZING INFLUENCE OF THE BALLOT UPON WOMEN

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The reaction of enfranchisement upon women's status in society and upon women themselves is one of the most interesting phases of the suffrage movement, but one which, for very good reasons, has been comparatively neglected. The philosophy of the movement and its social significance are too abstract to be generally useful in controversy and persuasion. The average person wants to know what women would do with the vote if they had it, what effect their vote has had upon legislation in the equal suffrage states and countries. His practical sense is appealed to when the relation of the vote to the work of looking after the home is indicated. His reason and sense of justice respond to such arguments as that of women being taxed without direct representation in the taxing authorities, of women forced to obey laws which they have had no direct voice in making. But when it comes to the subjective influence that the ballot may have upon women, the question moves out of the field of concrete and familiar interests, and of the simpler canons of justice and right. It becomes, instead, a question of social philosophy and psychology. It is for that reason, however, no less important as an argument for enfranchisement, and the present paper is given over to its consideration.

In approaching this phase of the question, we shall take as our fundamental premise that the development of human life has been conditioned by social relationships. In its most primitive forms, the advantage in the struggle for existence rested with the individuals who had the capacity for coöperation for purposes of aggression or defense. Mental and spiritual life had their origin and stimulus in the associated activity of play, festival and ceremony. Literature, art, and religion—all the higher activities of mind and spirit—owe their debt to the interchange of thought and feeling between man and his companions. Those we call the social virtues—sympathy, toleration, justice, unselfishness, self-control—all had their development in the association of human beings.

In the exercise of the social impulse and the growth of the social nature, the experience of women has been strikingly different from that of men. Such data as we have of their history reveal them as a group rigidly denied an opportunity for the development that comes from the establishment of wide and varied relations with their fellows. A review of the factors that have operated to exclude women from sharing as equals in the business of the common life would go far beyond the limits of this paper. Speaking generally their social and economic interests, and indeed the primary question of survival itself, have been promoted chiefly through influence with a particular individual—father, husband, or other male relative—rather than through direct coöperation with other women or with other men and women. Custom and tradition, built upon this fact, created an environment that kept them as a class apart and emphasized a fancied difference between their interests and capacities and those of men.

No serious attack was made upon the underpinning of this point of view until late in the eighteenth century. It was then, for the first time, that the condition of earning a livelihood for large numbers of women was offered on terms that did not imply personal service for their own families. A new way of carrying on their ordinary occupations was inaugurated with the invention of the spinning machine and the rise of the factory system—a way that was destined finally to drive the old household methods out of existence, except in remote places untouched by the new industrial order. Under the influence of an aggressive capitalism, women were drawn rapidly into an employ where their rôle as producers was divorced from their personal family relations. Never before had they worked in daily contact with each other as wage-earners. Never before had the occasion been offered for social impersonal relationships in the serious business of earning a living.

A new knowledge of each other, a new sense of comradeship, awakened under its influence. In defiance of the popular belief that there was something in the nature of women so different from that of men that it precluded the possibility of coöperation with other women, they have shown again and again their ability to stand by each other, to subordinate personal interests to the interest of the group. They have displayed courage and fortitude when it was necessary to face hardship and defeat. The progress of labor organ-

ization among industrial women compares very favorably with that among men, especially if one considers the tremendous obstacles that have been in their way—the public opinion that they were intruders in this field, that they ought to be at home, the youth of a great number of the group, their temporary stay in industry. An interesting thing about the organization of working women is the way that it has been fostered and strengthened by the direct help of women of widely different economic groups. It furnishes an example of a rare sense of solidarity. Factory operatives and women of independent incomes have joined in the effort to improve the working conditions of industrial employees. The sympathy and helpfulness of large-visioned women have bridged the distance that lies between the women of leisure and the women of toil, and they have worked as comrades in a common cause.

In other fields than the industrial, women have also shaken the tradition of their inability to work together. The reaction that women show today to their educational freedom upsets a lot of the notions we have inherited about the atmosphere of seclusion in which womanly natures have been supposed to thrive. In school and college, girls from families of varying economic status meet together in a democratic society. The question of economic condition is worthy of note because it is such a barrier in our ordinary social relations. From the start, the student finds herself identified by class denomination with anywhere from one hundred to five hundred others. Ask the average college girl what her college course has meant to her. In nine out of ten cases you will find that "it has been such a wonderful experience!" Probe this statement, and you will discover that it sums up the influence of associated activity in games, in dramatics, in class or society functions, in the numerous non-academic interests. It reflects the stimulus that has come in the broadening of her mental horizon, partly in the formal training of the class room, partly in the exchange of thought and experience with girls of many sorts from different parts of the country. Whatever fault may be found with our educational system, it has at least provided a belated opportunity for women to share in the social stimulus that men have found and prized in academic institutions.

The use that women have made of the increased leisure that has come to thousands of them in the last half century is further evidence of their enthusiasm for coöperative experience, of their

capacity to perfect organization, of their interest in social movements. Whether in a Browning club or a village improvement society, women have felt the stimulus of conscious coöperative effort. Today the General Federation of Women's Clubs, representing a membership of millions of women all over the land, is convincing evidence of women's organizing capacity, of their ability to provide and work with the machinery of association. What stronger refutation could there be of the time-worn assertion that women's interests are narrow and personal than is found in the resolutions passed at the biennial convention last summer in Chicago. Of the twenty-three resolutions, fourteen were concerned with matters that are of such general import as to require legislative action. The improvement of rural schools, the establishment of social centers for public discussion, increased appropriations for state and city boards of health, the protection of women and children from the danger of fire in factory and public meeting place,—these and other matters of public interest make up the bulk of the resolutions. Of the interests that are typical of "the woman's page," there is mention only when the federation goes on record as "heartily in favor of the movement for simple, becoming, and modest designs in women's clothes!"

From this brief indication of the reaction that women have shown when life has offered the opportunity to escape from a narrow and restricted environment, let us pass to the influence of enfranchisement upon women's status in society and upon women themselves. The most obvious effect of the vote is that it puts women upon a plane of political equality with other normal adults. Instead of being ranked in the political status of the criminal and the incompetent, they are recognized as persons entitled to express their opinion through the ballot upon matters of collective interest. Universal suffrage stands for a certain recognition of the stake that all human beings, irrespective of sex, have in the general welfare, and destroys a false sense of sex limitations.

By virtue of their new standing in the community, women assume an equal responsibility with men for both good and bad legislation. They become co-partners in the success or failure that accompanies legislative experiments, made presumably for their benefit. Many women are at present indifferent to matters of grave social concern, matters vitally affecting the welfare of their homes and families, because they lie in a field with which, they have been

taught, it is man's peculiar province to deal. A sense of personal responsibility would arouse women to take an interest in these questions such as they can never have as long as they are excluded from the enfranchised group.

Through this means their social relationships would be more clearly defined. To have a social imagination—to see other people's problems as our own—is a very rare possession. There are great difficulties in the way of knowing persons outside of a rather limited circle in a society like our own where the conditions of life are highly complex. Moreover, we are brought up in an atmosphere of custom and tradition that holds over from a fundamentally different social organization. Part of this tradition persists in the ideal that would shelter women from contact with the sterner sides of life,—an ideal which is no less misguided because it is well-meaning. Enfranchisement would open the eyes of many women who have not yet seen how closely interwoven are the interests of all men and women. Their mental horizon would be extended by the necessity of grappling with questions hitherto conveniently left for someone else to decide. These questions would have been positively fixed for their consideration since they are assumed and expected to vote upon them.

In exercising the right to vote, women are drawn into a wider circle of associated effort than any they have hitherto known. Here they find a chance to test their power of working with people. Here they find new demands made upon their toleration and sympathy. A basis of common purpose must be created so strong and compelling that it shall hold together the mixed elements of the group, and enable them to unite in promoting their collective interests. Are women equal to it? No adequate answer can be given merely through a process of introspection and reflection. Nor can it be found in argument or debate. The appeal must be made to experimentation. No limit can be set to women's capacity to develop new powers of coöperation until they are given the widest freedom for self-expression and for the practise of coöperative virtues.

Looking over the past century it is apparent that the trend of progress has been in the direction of removing the artificial distinctions that have been made between the interests of men and those of women, between the methods appropriate to men and women respectively in the development of their personalities, in the promotion of their common welfare. The enfranchisement of women

has been one of many factors that have contributed to this movement. Today it is taking precedence above all others. Women seem to have reached a point in their struggle for freedom where further progress is conditioned by the changed relation of men and women, the changed attitude of women themselves that comes with the right to vote.

It is well to bear in mind the enthusiasm and the determination with which in the face of great obstacles women have projected their vision beyond the narrow circle of home and family interests to see the changes that have revolutionized their household activities, and have undertaken the task of social adjustment that they demand. It is well to remember the spirit and the eagerness with which they have seized such part as they could gain in the rich and varied interests of life. Is it not reasonable to predict that the sense of social unity that such exceptional women have shown would be aroused by enfranchisement in countless other women who need definite encouragement to break through the barriers that keep them restricted in mental outlook and social sympathy?

THE EVOLUTION OF A NEW WOMAN

BY SIMON N. PATTEN, PH.D.,

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The question is often asked, "What do you think of the militant movement that now bewilders England?" Shall our women follow the course of the English suffrage movement, or should American opinion be directed in other channels? To justify the latter opinion one must explain the position in which English women find themselves. When this is understood, their action is excusable, and perhaps justifiable. Perhaps they have taken the only method by which their cause can be advanced in England, for to understand English methods we must study the ways in which Englishmen solve social problems. They decide woman suffrage in the same way they decide other problems. This we must comprehend in order to understand how women in England act, and why their program has been shaped as it has been. The striking fact of English discussion is that some antagonistic contrast or dilemma is emphasized, making the differences in opinion of more importance than existing agreements. It is interesting to hear Englishmen arguing the Irish question. Although they are divided into two groups on this topic, the method of reasoning is the same whether they oppose or favor home rule. The fundamental premise is that an Irishman is different from an Englishman. One party says that the Irishman differs from the Englishman, therefore he is inferior and must be suppressed. The other party, using the premise that the Irishman differs from the Englishman, argues from it that peculiar institutions should be given to Ireland.

With the same dogmatism they assert that Americans differ from Englishmen, declaring that to be characteristically American which is disliked as different. The American is thus the man with crass notions or crude opinions. It seems not to have occurred to them that the same crude opinions and ideas could be found on the streets of London, nor are they those which give the tone to American life. Englishmen love to use premises that exaggerate differences in men and in opinions. We find the attitude taken on all sorts of

problems. The Catholic is assumed to be radically different from the Protestant, and the man of Ulster is likewise different from the man of Dublin, although he may be only a hundred miles away. When it is carried over into the woman problem, this separates men from women by making those things characteristic of men and women in which they differ, rather than those where they are alike; and as a result an impassable gulf is created between the two which there is no rational way of crossing. Woman from this viewpoint is sex; man is intellect. Or, put in another way, woman is frailty; man is character. No agreement is possible with a man who defines woman as sex or frailty and thinks of himself as the embodiment of intellect and character.

The best representative of this attitude, and perhaps more than any other writer its source, is Thomas Carlyle. The endeavor to create impossible contrasts runs more freely through his writings than those of any other Englishman with whose work I am familiar. In Carlyle's way of thinking the few are good and the many bad; therefore the only way to get progress is through the coercion of the many by the few. Force is thus an essential element in attaining social stability, and the consequences if carried out logically would be the suppression of the many and the practical revival of serfdom. It follows from this thought that the man who coerces is a hero, and that the leaders who have used coercion are regarded as the great national heroes. This viewpoint is reflected in all English controversies. One sees it as plainly in the writings of the radical Mr. Shaw as in those of the conservative Mr. Chesterton. It is as plain in *The Saturday Review* or *The Spectator* as in *The New Statesman*.

Such a standpoint, and the methods derived from it, would lead to anarchy if there were not another English trait preventing the carrying out of coercive programs. Fortunately for England there is a limit put to the execution of logical plans of repression, and that is the high estimation of the English for martyrs. The one group standing in English opinion with the heroes who succeed are the martyrs who die. The result is that any doctrine producing martyrs brings an emotional reaction against the logic that would lead to its suppression. It is said there must be something right in the judgment of a man who will die for his cause; public opinion is fearful about putting such a man to the test; so the martyr is safe.

Perhaps it is this sentimental attitude toward martyrdom that keeps English institutions workable under the standard set up by Carlyle and his contemporaries. We may even go so far as to say that if the Irish want home rule they must produce martyrs; and in like manner, if Ulster wants to prevent home rule, it must produce a crop of willing sacrifices. The Irish question, indeed, is not at present being argued out, because there is no common basis of understanding among the Englishman, the Irishman, and the citizen of Ulster. The struggle is simply a test as to whether the minority can incite rebellion, or at least excite that kind of interest that makes people anxious to martyr themselves. Nobody is going to kill either an Irishman or a citizen of Belfast, and therefore the would-be martyr is safe.

This same situation is faced by the believers in woman suffrage and has created a prominent type of English woman. From the arbitrary premise that woman is frail and man has character, or that woman is sex and man is intellect, there is no way of arguing the sex problem on common ground, or of settling differences by compromise. Men are polite to the suffragettes if they belong to their own class, but they are indifferent to the demand which as a class women may make. In the same way the feeling of chivalry stops them from severely punishing ladies who interfere with public peace or destroy private property. The only means, therefore, that women have of influencing public opinion is by showing their willingness to be martyrs; which means that they break the law and then dare men to punish them. This has resulted in the hunger strike on the part of the women, and in forced feeding as a counter movement on the part of the authorities. No one, however, is willing that any woman should make a martyr of herself, and, as a result, the women have easily come out ahead.

Such is the situation at present in England, with no way out but revolution, or a radical modification in the way in which Englishmen solve their problems. England has, of course, progressed, but her progress may be defined as brute struggle tempered by sentiment. In England's evolution there is no regular movement of thought from the solution of one problem to the solution of the next. Each new problem is fought out in the same crude fashion.

This fact Americans must understand in order to realize the differences between American and English situations and so be able

to contrast the policies demanded in America with the policies advisable in England. It is proper to ask whether the American suffrage movement needs heroes and martyrs, or whether the progress of women in America should take place in an evolutionary manner. While the revolutionary type of reasoning is very familiar to us, it should be noted that all great American decisions have been evolutionary instead of revolutionary. This statement may be questioned, yet I believe that the facts in America are on the side of evolution in contrast to revolution. The instance of revolution most commonly used in this country is that of the Civil War. But we should remember that in that case it was the South that revolted against the evolutionary changes of public opinion, and that the South was defeated. Our great leaders in progress have been Jefferson, Jackson, and Lincoln, and in each case they carried the nation with them and their policies with such unanimity as to break their opponent's power. The same transformation is happening at the present time, and there is little question that the evolutionary methods as represented by President Wilson will make an epoch in our history perhaps as important as any preceding period. He at least has an opportunity for achievement; and should he fail, some other statesman will come forward who will transform public opinion as successfully as did Jefferson, Jackson, and Lincoln in their days. The slow, steady modification in the thought of the American man has been characteristic of him, and in all likelihood will be even more dominant in future decisions than it has been in the past. Though it is possible that we may have dynamite outrages by impatient laborers or narrow suppressive policies on the part of brutal capitalists, yet after all, each of these groups, representing only a small part of the American people, will be compelled in the end to join with the great mass in a steady forward movement.

The suffrage problem can therefore be stated in this way: Shall women and men become antagonistic and form separate groups, each of which has a way of stating its position and its differences from its opponents, or shall we tend toward a unified public opinion in which women participate as well as men? When women vote should we expect two parties, one dominated by women and the other by men, or shall we have a united public opinion gaining force because both men and women participate in its formation? It has been said recently that woman suffrage in the western states was a

failure because no special measures had been enacted by women, thus showing that women voted as the male members of their families voted. To my mind, this indicates the success, and not the failure, of the movement. Harmonious families have common ideas. The end of suffrage is not to make men and women clash in their public relations, but to find some rational way of creating social harmony. If this harmony is obtained, it will show itself, not as a public difference between men and women, but as a difference between the ideas and ideals of one age and those preceding. Happy will be the time when we shall know of no such thing as a woman's opinion or a man's opinion. All opinions will then be evolutionary and pragmatic because they are based on the common experience of our race and harmonize with our civilization.

These facts will help us to see how the militant movement arose in England and why the early representatives of the woman movement took the position they did. There is, however, another view, representing the attitude of a younger generation, whose acceptance of advanced views is a faith, not an argument. The position of older women was determined by the tradition of the group to which they belong, or was the outcome of an intellectual attitude fostered by their education. Such arguments turn on the difference between the intellectual viewpoint of the latter group and the traditional attitude of the former. These arguments, whether pro or con, do not give the real difference between the opposing groups. If the contrast is made between sex and intellect, the indefinite, prolonged argument brings no results. This happens so long as the arguments about suffrage are determined either by logic or by tradition.

Another method of treating the problem is to regard it as a phase of the evolution of modern society. Dynamic changes break down the static opposition which earlier views had to each other. The world is now, perhaps as never before, in the process of evolution, and woman is changing with every other factor in it. If this is granted, the changes can be measured in ways that explain the difference between advancing thought and the earlier attitude by noting the correspondence between the change observed and the general changes in the community. Viewed in this way the evolution of woman may be regarded as a change in tradition, a change in intellectual conviction, a change in character, or a change in physical traits. If evolution is taking place in each of these fields,

there should be marks by which we may distinguish the new from the old. A measure may be found of ideas, of character, and of physical traits by observing the changes that are now taking place among women. I shall confine myself to physical traits, since they are more readily measured than are those in other fields. The evidence of modification is also more objective and certain. The question presents itself: "Is woman a changing organism, or is merely a changing intellectual attitude observable?"

A New York paper recently published in its magazine section the pictures of sixty women, with the aim of portraying what are the traits to be found among American women, and thus fixing upon the most beautiful. It is interesting to see the standards taken in the selection of these representative women. The judges reflected the artistic convictions as to what is beautiful. There is thus a sameness characterizing these pictures that shows the basis upon which artistic judgment rests. Two facial features are especially prominent—the small, straight nose, and the sad expression of countenance. Artists perhaps think that these are the traits by which women are to be judged. They merely prove, however, that the artistic judgment is the traditional judgment, and that, controlled by these conventional ideas, artists reject types of women that do not correspond to it. To make this plain I shall insert a table of the traditional marks, giving on the one hand the feature, and on the other the quality that it is supposed to represent from the traditional view.

Feature	Quality
Square face.....	Courage
Straight nose.....	Intellect
Short chin.....	Impulsiveness
Thin lips.....	Selfishness
Sad expression.....	Morality
Paleness.....	Spirituality
Small waist.....	Grace
Small hands.....	Elegance

These associations would be difficult to interpret if we did not know the history of racial development and its influence upon our social traditions. The straight nose apparently gets its relation to the intellect through the fact that a straight nose is called Grecian, and the Grecians were an intellectual people. The association of

sadness with morality can also be readily explained when we understand how character development has taken place. Sadness means hardship, and hardship is associated with moral superiority. So it is easy to see why the sad countenance should be assumed to be an index of a woman's morality. A pale face is thought to be spiritual, while a dark, ruddy face is assumed to be vicious. Small hands and small waists have been associated with grace and elegance; this easily may be accounted for when we realize that aristocratic women have these peculiarities. The connection between health and fatness runs back to the primitive times when hunger and starvation were determining factors in the social environment. The ability to take on fat gave therefore an increased power of survival.

The real significance of the emphasis of this group of traits is this: We had, during past historical epochs, a short-lived race of women among whom there was a premature sex development. In such a group the period of child-bearing comes early. The evils accompanying this condition have been increased by the brutality of men. I recently read the narrative of a traveler who visited a primitive tribe; he said that there was no girl above nine years old who was a virgin. Such facts can account for premature sex development, the ills that go with it, and the traits characteristic of it; but it is a tragic error to imply that corresponding traits at the present time are indices of woman's development.

What, then, are the tests of normal development by which we can measure the difference between the primitive over-sexed woman and the type which at present is rapidly becoming the normal woman? In the first place, there is a delay in sexual maturity; a second evidence of advance is in muscular strength; a third in full bone development; a fourth in will power; and a fifth in longevity. Few, I think, would deny that these qualities are advantageous, or that they are a better measure of woman's physical development than those that were chosen at an earlier date.

In the past we have had one group of traits called masculine, and another group called feminine. This, however, is not because all men have masculine traits, and all women the so-called feminine traits. It is merely that more individuals with certain characteristics are to be found among men, and more with others among the women. But what is the cause of difference? The traits called feminine are evidences of physical retardation and imperfect devel-

opinent, while the traits called masculine are marks of full development. Women are more subject than men to the physical disorders creating retardation; more of them, therefore, have remained on a low physical level. The result has been that the traits due to retardation and imperfect development have become regarded as sex traits, instead of evidences of physical inferiority. A race of fully developed women would have the same traits that men have, because they would advance through all the stages of physical progress that their heredity permits. We would have a healthy woman if premature sex excitement could be avoided. This view assumes that the physical traits called feminine are the result of retardation and degeneration, and that the lower physical and mental status of women can be removed by better conditions and the full physical development that would follow. If the facts bear out this position, the improved physical condition of women should create changes in their physical traits, and the new generation of women would show some of the results of the recent improvement that has taken place in their condition.

In the discussion of traits we must look at their physical basis to perceive their real meaning, and so determine whether particular forms of face and bodily development are the outcome of female heredity or of some abnormality in growth. Of this the face is the best index, because the different parts of the face are developed in different stages of child growth, and therefore the presence or lack of certain facial characteristics is a sign of the normality or abnormality of the individual at the time when this growth took place. The central part of the face represents the earliest development; most individuals have this part of their face fairly well developed. The upper face represents the next stage, while the lower face is the last to develop. The head is formed before birth; and so whatever causes retarding facial development must have been in operation before birth. When the upper face is undeveloped it would indicate that the nutriment of the mother was defective. An evidence of this is that we find a low, sloping forehead most prevalent where a defective nutrition is common. The undeveloped lower face, however, has the opposite cause, for we find a weak lower face among the newer races and higher classes, rather than among those who are subjected to great hardships. It is therefore a natural inference that the trouble lies primarily in over-nutrition, which forms

toxins in the system, retarding development. Without making too much of this argument about the presence or absence of nutrition, two things are plain. One is that the lower races have usually a well-developed central and lower face, while the higher races have a well-developed upper and middle face. The normal face in contrast to this is the oval face, which has a broader chin and forehead than that found in the round faced Madonna.

The same contrasts appear in the side view of the face. We have the flat face, which corresponds to the round face as seen from the front view. This type of face indicates a weak character. In contrast to this we have a full center face with a prominent nose and high cheek bones. This indicates complete development, and strong muscular powers. Such men have a strong will, full muscular development, and an ability to endure long and severe hardships. This type of man furnishes the managers, financiers, directors, superintendents, and other leaders of the industrial world.

When we apply these tests to women, we find that most women belong to the first of these groups. They are there, not because of any sex heredity, but because of the retardation and degeneration that have been coupled with their development. Better health is bringing more women into the second group, and as a result the type of face is correspondingly changed. We thus get the self-reliant woman, the ambitious woman, and the woman with a faith and vision. She will become the dominant type as the general health and intellectual vigor of women increase, and as a result, not merely the physical, but also the intellectual, differences between men and women will diminish.

To make my position clear I shall restate my argument. The form of elimination acting on women through past ages has checked the evolution of her physical and mental traits. The result has been a lowering of her vital powers, a shorter life, and a loss of mental vigor. The so-called feminine traits reflect this depressed condition due to ill health, bad environment, and premature sex maturity. They are a load woman must throw off to regain normality and to start anew the evolutionary process. The woman's movement of recent years reflects the improvement now going on in her physical, as well as in her economic, condition. The static woman of the past is now an elderly lady with reactionary opinions. She may like it or not like it, but from her viewpoint a change is going

on, the effects of which are shown more clearly as each new group of young women comes to maturity. These physical changes can be readily seen on the streets by anyone who cares to observe them. The vigor of young women, their greater height and cheerful look, is everywhere in evidence. It is especially noticeable in the suffrage parades. The women who swing with easy step from one end of Fifth avenue to the other are those of whom any nation might be proud. Should there be an anti-suffrage parade it would be necessary to carry the women in hacks. It is amusing to see the latter pose as mothers when they are so plainly inferior to those in the other camp. Count the children of each group and then the real facts come out, for real mothers are women of muscle and bone, not pale-faced do-nothings.

In the face of this physical uplift men's choices still remain so conventional. The young man of today has Madonna faces on the walls of his room, and he sees them on the cover of every magazine. He spends his time in looking for a girl that fits this false ideal of womanhood, and ends in getting an incapable wife who bears no children, does no work, and is fit for no place but a sanitarium. This choice is creating a serious crisis, for it brings into wedlock those not fitted for it, and keeps out those whom nature designed for mothers. It is a queer notion of men that the driving, independent girls about them do not make good wives and mothers. They are in reality women of intenser feeling, who would show their loyalty and devotion if men would change their prejudices, and let them function as wives and mothers. They are eager for self-support, and often show a disregard for masculine views; not because of any sex antagonism, but merely because they come to sex and mental maturity later than do the "sweet sixteens" men admire. Love at sixteen is a fickle fancy; love at twenty-six, coming as a natural development, is a deep abiding life force. The girl who works and waits is the good wife, because she is ready for her new functions. Her husband is her life; her work is a joy; and her children are her self-expression. Men in the end must see this, and when they do, good-bye to the divorce courts and nervous breakdowns. Health and efficiency create happiness, and it in turn is the basis of true comradeship. Democracy must in the end express itself in the coöperative family, to the support of which all contribute, and out of which come happiness, health, long life, and

vigorous children. To women of this type suffrage is not an argument, but the outcome of their life and vitality. They are love, work, and duty combined. Happy will be the day when men see this and choose helpmates instead of dolls. On this the future of the race depends. Give the new woman a chance and her superiority as a mother will be as marked as in other fields.

POLITICAL EQUALITY FOR WOMEN AND WOMEN'S WAGES

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An examination of the wage-scales of women workers brings out two striking facts: first, the wage level of a large number of women is conspicuously below the level which would make possible competent and efficient life; second, the wage level of women is conspicuously lower than the wage level of men.

On the first point, reference is made to various sources dealing with women's wages in England, such as the report of the parliamentary committee on home work in 1907,¹ the report of the wages boards established under the trade boards act of 1909,² the reports of the bureau of labor on women and child wage earners,³ the reports of commissions established in several states to consider the creation of minimum wage commissions,⁴ and the reports of such minimum wage commissions as have reported determinations, e.g., Massachusetts and Oregon.⁵ These sources furnish material relating to many trades employing women and girls in many sections of the country under urban, village and rural conditions.

In support of the second statement reference is made to Sydney Webb's classic study of women's wages made in 1891,⁶ to the re-

¹ *Reports of Select Committees of House of Commons on Home Work*, 1907, No. 290; 1908, No. 246.

² Constance Smith, "Working of Trade Board Acts in Great Britain and Ireland," in *Journal of Political Economy*, vol. xxii, p. 605, July, 1914.

³ Senate Doc. No. 645, 61 Cong., 2 sess.

⁴ *Massachusetts, Report of the Commission on Minimum Wage Boards*, January, 1912. (House Doc. No. 1697). Boston, 1912. Oregon, Industrial Welfare Commission. Report of the Social Survey Committee of the Consumers' League of Oregon on the wages, hours, and condition of work, and cost and standard of living of woman-wage-earners in Oregon, with special reference to Portland. Portland, 1913, 71 p.

⁵ *Report of Massachusetts Commission on Minimum Wage Boards*, House Doc. (1912) No. 1697. For Oregon see several items in *The Survey*, covering various groups of employes in Portland, and in the state at large.

⁶ Webb, "Alleged Differences in the Wages paid to Men and Women for Similar Work," in *Economic Journal*, vol. i, p. 635.

port of the royal commission on labour;⁷ to Miss Abbott's study of women's wages in America;⁸ and the various volumes of the report on women and child wage earners dealing with the cotton, glass, and silk industries, the sewing trades, selected metal trades, work in laundries, and a number of other selected occupations.

The testimony of all this evidence is to the effect that the wages of women workers range from about one-third to about two-thirds of those of men. As will appear later, this generally does not mean that men and women are paid at these different rates for doing the same work, but what appears is an almost complete separation of function between men and women, with the resulting lack of opportunity for women's employment and consequent lower level of pay for women. Weaving in the cotton and silk industries forms a conspicuous exception and even there the men are often paid either at a higher rate on the assumption that they "tune" or "fix" looms, or are paid for the performance of certain other mechanical duties in addition to their pay as weavers.

The question is raised as to whether the exclusion of women from political power is a factor in either of these anti-social characteristics of women's wages and whether the grant of political power would tend to secure for women more nearly a living wage, to raise the wages of women more nearly to an equality with the wages of men.⁹ It is the purpose of this paper to set forth the considerations leading to a belief that there is an important connection between lack of political equality and this double under-payment of women workers.

⁷ *Report of Royal Commission on Labour* (Cd. 6894), dealing with Women's Work.

⁸ Abbott, *Women in Industry*, chap. xii, pp. 262-316; Appendix C, 363-373.

⁹ The writer is aware that Mrs. Sydney Webb does not agree with the claim of women to equal pay. It is unnecessary to go into that question here, since Mrs. Webb is a suffragist and evidently believes that the ballot can be used by women to secure a more satisfactory wage level, even if she thinks not even political equality will enable them to secure a reward for their labor determined by purely economic considerations. (See *The New Statesman*, August 22, 1914, p. 613.) It is interesting to recall in this connect on the audience recently granted by Mr. Asquith to the deputation of working women from East London. Concerning this, the *English Nation* said among other things: "Even more influential than the force of direct pressure from voters will be the new habit of mind in which Parliament, parties, and the press will be trained when they realize that in fact as well as in sentiment women are half the nation."

That connection may be less immediate than is sometimes urged, but it is more far-reaching, more determining and more important than is often understood. Because they have not taken the trouble to follow the arguments, very distinguished writers have made foolish and ill-considered statements about the lack of connection because of the finality of the law of supply and demand. For example, Mr. Dicey in a serious discussion of the subject,¹⁰ quite ignoring the fact that any influence which affects either item in ratio of demand to supply affects the ratio itself, says cuttingly:

Lastly, it is asserted that the possession of votes will increase the earnings of women. This probably is of itself enough to enlist every under-paid and under-fed seamstress or maid-of-all-work in the ranks of the fighting suffragists. The plain answer to it is that the prediction, if it means (as every working woman understands it to mean) that a vote will raise the market value of a woman's work, is false. The ordinary current price of labor depends on economical causes, and is not affected by a man's or a woman's possession of the parliamentary franchise. No master raises his footman's wages because the man-servant happens to be a voter; and he will assuredly not raise the wages of his housemaid because he finds that, under some Woman's Enfranchisement Act, she has got her name placed on the parliamentary register. Why, in the name of common sense, should a vote confer upon a woman a benefit which it has never conferred upon a man? We have throughout this article indeed admitted that woman suffrage does increase the chance of Parliament turning its attention towards the wishes of women, and thus may cause any grievance under which a woman suffers to be the more speedily removed. But this admission is a totally different thing from the assertion that a woman's vote will raise her wages.

The wage level does, of course, depend on "economical causes" and is, of course, determined by the relation between the demand for labor and the supply of labor. Whatever influence operates to lessen the supply at any point relatively to the demand at that point or to intensify the demand relatively to the supply will set in motion "economical causes" and will operate favorably to the worker as compared with the employer; whatever influence increases the supply at any point relatively to the demand or weakens the demand will in the same way operate to the disadvantage of the worker at that point as compared with the employer. Whatever influence leads to decisions based on social, historical, accidental considerations rather than on considerations of efficiency, competence,

¹⁰ *Quarterly Review*, vol. ccix, (No. 418), p. 287, January, 1909.

industrial capacity operates through non-economical causes and acts to the advantage of men and to the disadvantage of women, while influences bringing about decisions based on considerations of capacity and efficiency operate to the advantage of women. The extent to which the wage bargain will be favorable or unfavorable to any group of workers, as compared with the employers, will depend on the extent to which (1) the workers do or do not possess skill of a high industrial or professional character; (2) they have or have not alternative opportunities for employment; (3) they can or can not wait, in case no suitable opportunity offers; (4) they can or can not move from place to place in search of employment; (5) they have or have not bargaining strength and shrewdness; (6) they are or are not conscious of a common interest and able to act together.

Before discussing more at length these factors in the relative strength or weakness of women wage earners, certain distinctions should be drawn between different groups of women workers. Because of the very recent date at which the thirteenth census (1910) of occupations was issued (August, 1914) and the consequent greater familiarity of the classification of occupations adopted by the twelfth census (1900), the latter is retained for the purpose of this discussion. According to that classification, gainfully employed persons were grouped in five large classes of occupations: agriculture, professional, domestic and personal service, trade and transportation, manufacturing and mechanical pursuits. Of the agricultural women, of whom in 1900 there were 977,336, and in 1910 apparently 1,807,050,¹¹ we know little as to wages or conditions of employment. Of those in domestic and personal service, of whom there were in 1900, 2,095,549 and in 1910, 2,620,857, we know that, in 1910, 156,235 (67,988 in 1900) did not earn wages but offered lodgings or took boarders, that 1,595,449 (1,330,692 in 1900) held positions in higher or lower forms of domestic service, an occupation whose characteristic is that it is unstandardized, i.e., one employe may earn high wages under excellent living and working conditions, while another is a drudge and a "slavey" under wretched conditions both for living and working.

In this same group of gainfully employed in domestic and personal service are found also the laundresses and waitresses. So far as these are employed under conditions of domestic employment,

¹¹ *Thirteenth Census, Occupations 1910*, p. 54. See discussion of probable error on this point.

they are again in occupations which can not be made the subject of general characterization. So far, however, as they include workers in power-laundries or in "down-town restaurants," they can be grouped for purposes of discussing their wages with the groups in trade and transportation and in manufacturing and mechanical pursuits. In these groups, employing, in 1900, 1,816,015 and in 1910 2,974,447 women, the position of both men and women wage-earners (individual) is disadvantageous as compared with the employer. In many occupations in these groups a low degree of skill is required, the workers can not wait for employment, there is no way of their learning the state of the labor market, and in bargaining shrewdness the workers who make a bargain only between jobs are at a great disadvantage as compared with the employer's agent who bargains practically all his working life.

Moreover, women are often at a real disadvantage as compared with men. In the first place, it is admitted that they often do not bring the same degree of skill or occupational capacity. They wholly lack the physique for certain occupations, such as construction work or heavy teaming. By unanimous social judgment, their sex disqualifies them for work done under conditions of physical exposure, as in the underground mining, or of moral peril, as in saloons. There are few or no technical schools for them, and they are often from lower age groups and add immaturity to their other disadvantages. It appears, for example, that in 1910, 83 per cent of the gainfully employed males were over 21, and 17 per cent only under 21; while only 66 per cent of all the gainfully employed females were over 21, and 33 per cent were under that age. And in many occupations the relative proportion of women in the younger age groups is much larger than one-third. For example, 68 per cent of the female employes and only 20 per cent of the male employes among glove workers are under 21 years of age; among the candy workers, 68 per cent of the female and 24 per cent of the male; among the glass-workers, 57 per cent of the female and 24 per cent of the male; in soap factories, 56 per cent of the female and 24 per cent of the male; among the telephone and telegraph operators, 47 per cent of the female and 21 per cent of the male; among sales persons 33 per cent of the female and 17 per cent of the male employes are under 21 years of age, while even in coal mining and cotton manufacture—with glass, the great boy-employing industries—the figures are, in

coal, only 15 per cent of the males, and 253 out of the 890 females or 28 per cent of the females under 21 years of age, and in cotton, 48 per cent of the female and 30 (29.9) per cent of the male employes in these lower age groups. Obviously, the facts already stated demonstrate that women are at a disadvantage in the labor market as compared with men. Attention should be called also to the fact that industry and trade as organized under the alleged competitive system of the last century are wholly in the hands of men who often determine employment from considerations of propriety rather than of efficiency, deciding that certain forms of employment are unsuitable to women, so that women lack not only opportunity but inducement to qualify themselves better for highly skilled work. In 1900, while women were scheduled in 295 out of 303 occupations, 86 per cent of them were in only 18. In 1910, the number of occupations listed is a longer list (428 instead of 303), but 82 per cent of the gainfully employed women are found in only 19 of the occupations.¹² The ideals of a feudal state persist in shutting them out of the higher positions in the state, the church, the legal profession, and the positions of corresponding social prestige in big business. They lack, in addition, as compared with men, bargaining capacity and the bargaining habit, and the habit of acting together. Boys "swap" in the alley, while girls care for the baby; men meet each other in the saloon, at the political meeting, in the street; women and girl-workers do their own laundry, make their own clothes, trim their own hats,

¹² Table showing occupations in which there were one per cent or more of the gainfully employed women.

<i>Name of occupants</i>	<i>No. women engaged</i>	<i>Name of occupants</i>	<i>No. women engaged</i>
Formers.....	257,706	Teachers.....	478,027
Farm laborers (home farm).....	1,176,585	Teachers of Music.....	84,478
Dressmakers and seamstresses.....	447,760	Boarding and Lodging House Keepers	142,400
Millinery and Millinery Dealers.....	122,447	Housekeepers and Stewards.....	173,333
Textile.....	352,639	Laundresses.....	520,004
Weavers in textile industries.....	99,434	Midwives and Nurses (not trained)...	117,117
Sewing and Sewing Mach. Oper.		Servants and waitresses.....	1,309,549
Factory.....	231,206	Bookkeepers and Accountants.....	187,155
Tailors and Tailoresses.....	163,795	Clerks (not in stores).....	122,665
Telephone Operators.....	88,262	Stenographers and Typewriters.....	263,315
Clerks in stores.....	111,594		
Saleswomen.....	257,720	Total.....	6,707,191

Total gainfully employed, 8,075,772.

Per cent of total in 19 occupations, 81.8 per cent or 78.1 (if instead of 352,639 textile operatives 99,434 weavers in textile industries be taken).

help with the children, spend their non-working hours as drudges, or eking out their small earnings by their domestic accomplishments.

The first result on women-workers of the youth of so considerable a proportion of their group, of the domestic pressure on their leisure and of their consequent isolation, is the fixing of wages in the occupations into which they are admitted below any possible level of competent living. This does not mean that they supplement their wages by immoral practices, but that with all the industry with which they can use their non-working hours, they are still under-clothed, under-housed, under-fed, without adequate provision for normal recreation, and unable to bear their proper share of the support of their natural dependents.

The second result is the payment of wages not so much unequal to the wages of men but different from the wages of men to an extent much greater than the difference between the economic value of their work and that of men employees. That is, the exploitation of women in these groups may be regarded as the exploitation of men raised at least to the second power. It is on that account that department store work, telephone service, the textile industry, cotton, wool, silk, candy-making, brush-making, corset-making, and many other trades employing a considerable number of women workers may be justly charged with the practice of a double exploitation.

If we look at the professional occupations, we find conditions somewhat different as to age and training. Of the women lawyers only 78 out of 1,343 or 5 per cent are under 21, of men, 452 out of 120,806 or .003 per cent are under 21, and of the 9,015 women physicians only 142 or 2 per cent are under 21, of 142,117 men only 312 or .002 per cent are under 21. Even of the teachers, only 79,032 out of 476,864 women teachers, 16.6 per cent, are under 21, and of 118,442 men teachers, 12,274 or 10.4 per cent are in this age group. But in these lines of activity, while women may obtain the training and are more mature, they too must face the fact that the opportunities they seek are controlled largely by men. If, as has been said, the men in control in industrial or in professional affairs were themselves dominated by industrial, economic or professional considerations, if they would and could give the opportunity to the person who under fair competitive conditions offered the best terms, women would have no complaint to make and would rely on industrial, economic or professional methods for their advancement; but the

reverse is the fact. One has only to compare the relative number of men and women graduates from our colleges bearing the approval of the Phi Beta Kappa Chapters with the relative number of fellowships granted to men and women students, or the relative numbers of candidates for the doctorate taking degrees with high rank with the numbers taken on to college faculties, to perceive something of the disadvantage under which women pursue scholarship.

At the one end of the scale of well-being is found then exploitation based on youth, lack of training, and helplessness; at the other, exclusion. Political equality is therefore invoked for several reasons, and in order to accomplish several results among which will be a gradual readjustment of the wage scale to correspond with the needs of rational living and with the payment of men.

For the more helpless group, the political enfranchisement of women inevitably means the introduction into legislation and governmental action of considerations with which women have been especially concerned. This influence must and will work itself out more conspicuously in connection with physical conditions of work, the limitation of the working day, the prohibition of night work for young women, and the maintenance of sanitary and decent conditions of work. It will, however, inevitably likewise take notice of the significance of the wage below the level of competent and wholesome living and will attack the problem by setting a minimum wage, and also by raising the age of employment, regulating the conditions under which "learners" may be employed and paid, and, perhaps chiefly, by devoting some of the public money and public brains to the question of the industrial education of girls. In other words, it introduces into the situation influences to counteract those forces which at present render this group so peculiarly weak in their wage-bargains both as compared with their employers and with possible men competitors.

It is not claimed that many of these results may not be gained without the political enfranchisement of women, but they will be gained with much greater difficulty and will be on the whole less stable and final without than with the ballot. The state cannot, as a matter of mere psychology, get the best intelligence of its women devoted to these problems until that intelligence is quickened by a sense of full responsibility. But there are also far greater gains than these to be expected. In the case of the professional women, access

to political power alone opens up avenues of employment. Women in the civil service will seem more appropriate when the votes of women are of concern to the appointing power. The women appointed to the police force, the women appointed on the school board, the women put upon the garbage commission, the appointed head of the public welfare bureau, all in Chicago, testify unmistakably to the soundness of this statement. For women lawyers with the ballot there is a new respect shown by men. With the franchise arise legal problems peculiarly affecting women and making more obviously suitable the employment of women. If the votes of women doctors become of importance in connection with questions concerning the medical profession, there are new reasons for admitting them to programs of medical societies and thus new avenues are opened for legitimate professional publicity. Perhaps the situation confronting the members of the teaching profession is most clearly illustrative, because there has been so much foolish and inapplicable discussion of the femininization of the public schools, based wholly on the proportion of women to men in the teaching group. As a matter of fact there is no more masculine organization in the whole community than the public school system. Out of 824 superintendents in cities¹³ having a population of 5,000 and over, only 6 or .007 per cent are women, of whom only one, the distinguished superintendent of the Chicago schools, receive as much as \$2400 a year, while 363 or 44 per cent of men superintendents receive that amount or more. Of the high school principals in cities of 5,000 or over, only 72 out of 936 or less than 8 per cent are women, and of the women only 6, 8 per cent, receive as much as \$2500 while of the 864 men principals 205 or 23 per cent receive that or a larger amount for their services. Among the high school assistant principals, 285 in number, only 93 or 33 per cent are women.

There are, to be sure, a number of women county superintendents of schools, and in a few cities women are found on the boards of education. On the whole, however, the schools are managed by men, generally with as great interest taken in the possibilities of political gain or private enrichment as in the educational requirements of the teachers and children. This has meant the inevitable over-emphasis on expenditures for buildings and grounds in which real estate

¹³ See *Bulletin of United States Bureau of Education*, "Pecuniary Rewards of Teaching."

agents have influence and on choice of text books in which great publishing concerns have interest, and lack of attention to the due compensation and just treatment of the teachers. Any intelligent and honest scrutiny of the problems would inevitably bring about an equalization of the salaries between men and women which would probably be accomplished by the leveling up of the women's pay, both by a raising of the wage-level and by the promotion of a much larger proportion of women to such positions as principalships and to new supervising positions of various kinds. But, again, the great damage results not so much from corruption as from ignorance. The school is not only the great educational agency of the community; under our compulsory school laws, it has been forced to assume many functions as guardian and there should be developed, and would be, if the intelligence of the teachers and of the women had free play, coöperating agencies for which women are peculiarly qualified by nature and by experience, such as effective staffs of school visitors relating the home to the school, the school to the home and both to other resources available for the service of the children.

There would therefore result the opening up of many new lines of employment for which women are particularly fitted, which would relieve the congested condition of the teaching profession. Analagous results are to be expected from the enlightened scrutiny of other organizations. Women in law with political power back of them see in a new way the absurdity of handling many cases as they are handled today. The administration of criminal justice, the management of reform, correctional and penal institutions, the enforcement of pure food, sanitary and labor legislation require, if competently done, the employment of many women.

In these two ways, then, first, by getting in through social legislation under the minimum fixed by such unequal bargaining and thus reducing the possibility of exploitation of the weakest workers, and second, by opening new avenues of employment in public service, in social agencies, in professional relationships and thus relieving the congestion which has been so great a disadvantage to the women workers in the few lines open to them, the wage-bargainer who is too weak will be fairly protected, the fairly competent wage-bargainer will be given new bargaining advantage. The protection at the bottom brings about an enforced reasonableness in demand and an exclusion from supply of the group now utilized, not so much

because of their industrial or occupational capacity as because of their economic weakness—the children in the candy trade, the non-English speaking women in the sewing trades; the opening up of opportunities at the top is nothing more than a lessening of supply at the congested points to the great advantage of the residuum.

Attention may be called in this connection to the enactment of minimum wage legislation during the past two years. Not only have the industrial states of the East and Middle West, Massachusetts, Minnesota, Ohio, and Wisconsin, each of which has a considerable body of protective legislation on its statute books, taken this further step in the protection of its women-workers, but the non-industrial western states, California, Colorado, Oregon, Utah and Washington, all of which are equal suffrage states, have thrown this protection about their women wage-earners.

Besides this aid from without, political equality brings a very real new spiritual power whose value should not be ignored. It removes an occasion for humiliation and gives a new self-confidence which is of great importance. One great difficulty in securing advancement for girls is that they acquiesce in the general judgment as to their inferiority. Young women who are most contemptuous regarding the ability of certain young men will still feel themselves disqualified in some mysterious way from entering the profession the young men have successfully entered. "It's good wages" (75 cents) "for a girl" is the reply when the girl-worker is asked why she does not get as much as the boy across the way (85 cents). Employers take girl-workers because they are more easily satisfied; "they don't ask for a raise." Women who never asked for the ballot, who never "felt the need of it," confess to a new sense of confidence and self-respect when they have had it bestowed on them and a new courage to urge upon their employer the real value of their services.

The rapidity with which these results will be brought about will, of course, vary greatly with the general intelligence of the community, both men and women, with the nature and organization of employments already open to women, with the alertness with which well-to-do women understand the situation and grasp the opportunity to coöperate consciously with the economic forces, and supplement them when necessary with legislation. For besides removing limitations from about the spirits of women with reference to their own capacity and from about the minds of men as to woman's real sphere, political

enfranchisement obviously places in the hands of women a labor saving device of great possibility.

It is a device with which they can accomplish no result they have not the brains to plan and the courage to undertake. As the sewing machine and the needle are alike useful only to those persons who see the finished garment in relation to the cloth, so the ballot as an instrument can only aid—it cannot serve as a substitute for the plan already formulated. Those who see clearly the end sought and who therefore desire urgently to possess the most efficient instrument are often prevented by their very eagerness from seeing the more remote but more far-reaching and really more important aspects of the claims of women to be admitted to full political equality, because of the important bearing of their political or their economic status.

THE MILITANT SUFFRAGE MOVEMENT

BY MARY WINSOR,

Chairman of the Pennsylvania Congressional Committee of the National
American Woman Suffrage Association and President of the
Pennsylvania Limited Equal Suffrage League.

An estimate of the militant suffrage movement should be based, not on mere study of books, but on a first-hand acquaintance with the movement itself in England. In 1913 during part of July, August and October, and in 1914 from May 27 to July 14, I was in London investigating the woman suffrage movement in all its ramifications, marching in processions and pilgrimages, speaking in meetings both peaceful and militant, indoors and out of doors (the street is a grand place to study politics, especially in England), attending tax resistance auctions, escorting deputations to the House of Commons, witnessing the brutality of policemen and appearing in the police court to testify to what I saw, following Sylvia Pankhurst and East End working men and women to the House of Commons, accompanying Mrs. Pethick Lawrence to jail, hearing Miss Nellie Hall and Miss Grace Roe interrupt the course of their trial as a protest against an unjust system of justice, and interviewing and conversing with dozens of suffrage sympathizers and workers.

In this brief paper it would be time wasted to criticise the militant methods—violence, destruction of property, etc.—as these methods have already been denounced more than sufficiently by the newspapers. I shall put the case somewhat from the standpoint of the militant suffragettes themselves, trying to give some idea of the philosophy and ethical principles underlying the militant propaganda and, above all, with the hope of making clear to American readers some of the radical differences between English and American conditions.

The militants hold that they are at war with the British government, basing their right to rebel on the axioms that governments derive their just powers from the consent of the governed, and that resistance to tyrants is obedience to God. As our colonial ancestors felt that a decent regard for the opinions of mankind should impel those in a state of rebellion to declare their reasons, so the suffragettes

have repeatedly endeavored to set before the world the grievances for which they are suffering. The grounds for revolt may be classified, roughly, as follows: The miserable status of English women; the impossibility of obtaining attention for, much less redress of, their grievances by constitutional methods; the historic precedents established by the use of force by the British people whenever the progress of freedom has been blocked by the British government; the insincerity and brutality shown by the present Liberal government in dealing with the women's agitation as compared with the leniency shown to male political offenders both past and present; the determination of the newspapers to stifle the movement by persistently excluding suffrage news and propaganda from their columns. I cannot take up all these points in detail; for some I shall give a list of references to enable the reader to form his own judgment.

In the United States, though the great majority of women are still disfranchised and many of the unjust laws inherited from England continue to disfigure our statute books, the suffragists are absolutely peaceful. We owe this, not to American women, but to American men. In every country it is the men who should be held chiefly responsible for the tone and conduct of the suffrage movement, as the government is in their hands, authority and power are theirs, and they are able to make the task of the feminist comparatively easy and pleasant. Englishmen have chosen to make it very difficult. In England the militant movement is like a slave insurrection; it presents characteristics of the uprising of a servile class; the bitterness of those who have been treated unjustly, the determination of the down-trodden to rise and at all hazards to themselves to conquer respect and consideration for their sex; and the arming of the one part of the community—women—against the other part. If the word "slave," applied to contemporary English women seems an exaggeration, let me say that our colonial ancestors considered taxation without representation tyranny. When Patrick Henry said, "Give me liberty or give me death," there were no fetters on his wrists, nor was he to be sold in the slave market. He merely referred to the fact that he was being taxed without his consent—a state of subjection so odious that death was preferable. Now, English women of today suffer not only from that grievance, but from many others. That the negro mother had no control of her child seemed to Abolitionists a potent argument for emancipation. Today the

English woman, if married, is not the legal parent of her child. The father is the parent and has the right to prescribe the child's education, religious training and medical attendance; he may take it away from the mother and may by will appoint a guardian without her consent. The position of a married woman is in many ways wretched: though her husband is supposed to support her, there is no legal machinery by which a woman can enforce this law; no husband is obliged to give his wife more than a bare maintenance, and may forbid her to pledge his credit; a man may disinherit his wife and leave her penniless with destitute children whom the law compels her to support. A life-time of unpaid service with possible destitution at the end is little better than slavery. The divorce laws are unequal, practically encouraging immorality on the part of the husband, as it is not a ground for securing a divorce from him unless coupled with cruelty or desertion. As for the industrial status of women, Miss Mary Macarthur, the secretary of the Women's Trades Union League, in giving evidence before the select committee on home work, estimated that the "average weekly wage of all women industrially employed, excepting only the most highly skilled, is 7 shillings a week." The government, as an employer, is one of the worst sweaters of women.

In America there is a spirit of justice and friendliness toward women, but in England the pressure to keep them down is four-fold, legal, political, industrial, social, and it might be added, religious. The militants do not think it strange that woman has rebelled, but that she has endured so long and so submissively. Perhaps heretofore the leaders and the inspiration were lacking. "Christabel" members of the W.S.P.U. have said to me with enthusiasm, "Christabel has given us a new ideal of womanhood." For centuries the feminine ideal has been semi-oriental. The world has thought that woman should purchase toleration for her existence and immunity from insult by making herself as inconspicuous as possible. The suffragettes have reacted from this silent, humble, Patient Griselda type to the extreme. They have not only been audacious enough to practise the militant virtues reserved to adorn the brows of man, but as the head and front of their offending, have claimed the right to exercise these virtues for the benefit of their own sex. As long as women were content to take part in man's revolutions, got up by men for the benefit of men, no matter how violent, how incendiary,

how murderous the feminine participants, they were considered heroines and patriots. When, for the first time in history, a revolution is organized by women for the benefit of women, though they are not murderous, merely violent and incendiary, they are considered not heroines and patriots, but vandals and viragoes. This is probably due to the lack of positive standards that prevails everywhere in church and state with regard to the ethics of fighting. Only one class has the right to condemn the use of violence by women, the Society of Friends, who have always condemned it equally in men and in women. The Quakers have never canted about brute force being noble and patriotic when used by men and abominable when used by women, but have said flatly that it was uncivilized, unchristian and degrading in any case. A study of the historic militant methods used by Englishmen, and still more by Irishmen, when struggling for liberty, prompts the suffragettes to ask embarrassing questions, such as, if it was praiseworthy for English people to cut off the head of Charles I when he tried to act the tyrant, why is it damnable for Miss Annie Kenney to break a window? If Henry VIII, in freeing religion from Rome, laid waste beautiful monasteries, and Cromwell stabled his horses in cathedrals and his troopers, for conscience' sake, broke imagery and stained glass, wherein do they differ from women who burn a church hoping thereby to rebuke the apathy and indifference of the woman-supported church of England? If Irishmen, who incited to riot, arson, cattle driving and even manslaughter, were rewarded by gaining sympathy and assistance from Gladstone and the Liberal party, why are the women who, under great provocation, resort to much milder methods, treated like the worst of criminals and their just demands for the franchise waved aside?

Among the services the suffragists have rendered to society, not the least is that they have raised this question of the use of force, and compelled the world to face it from a new point of view. For the first time in history the male sex has been able, as it were, to get a long distance view of violence, to see how it looks when exercised by the opposite sex, with no chance of contributing to masculine vanity. Men have now seen a warfare in which all the courage, all the heroism has been shown by women, in which men have played the odious rôle of tyrant and oppressor. The suffragists have done much to establish a single standard of morals, and the international

peace movement will ultimately be strengthened by the search-lights they have turned on these questions, showing them all in a new and striking aspect.

The English Newspapers

One of the greatest obstacles which the suffrage movement has encountered is the stubborn opposition of the English newspapers. Before the advent of the militants, it is said that the press boycott was absolute. Mrs. Pankhurst and her adherents claim that some of their most sensational doings were necessary to break down this boycott, and have been successful, at least in compelling the newspapers to notice women and their demands and to publish news of the suffrage movement which they had heretofore ignored. However, the attitude of the press toward the cause still leaves much to be desired. I made a careful study of the leading London newspapers, including *The Times*, *The Telegraph*, *The Morning Post*, *The Standard*, *The Daily Mail*, *The Herald*, *The Pall Mall Gazette*, *The Westminster Gazette*, *The Globe*, *The Chronicle*, *The Daily Graphic*, *The Daily Sphere*, *The Evening News*, and others. My method was to go to all the important suffrage meetings and compare the reports in these newspapers with my own observations as an eye witness, and also with the four weekly suffrage papers, *The Suffragette* (militant), *Votes for Women*, *The Vote* (mildly militant) and the *Common Cause* (Constitutional). The conclusions I came to may be summed up as follows:

Our American newspapers are far in advance of the London press in reporting the activities of women, their clubs, organizations, etc., including the woman suffrage movement. As far as the latter is concerned, English journalism does not seem to comprehend that it is world-wide, that millions of men and women are engaged in it and that its success is assured and may be near at hand. This inability to grasp the significance and extent of the woman suffrage movement is due to British insularity and to the deep rooted English habit of regarding women as inferior and subordinate beings whose activities are not important or of interest to the public. The English newspapers are essentially men's newspapers, got up by men for men, and largely devoted to party politics. The space given to women's affairs is meagre, and the general tone toward women is

hasty and contemptuous, or else of a deliberate and unctuous silliness, in short, the kind of thing one might expect to find in the local organ of a country town. None, with the honorable exception of Mr. George Lansbury's *The Herald*, is the advocate and champion of the cause. Some are lukewarm, the majority hostile, and their hostility is shown in the following ways: suppression and ignoring of important events; great meetings addressed by eminent speakers are briefly alluded to or passed over in silence; an exaggerated emphasis is laid on militancy, ignoring the work of the peaceful suffragists and the vast constitutional propaganda of the militants themselves; when acts of violence are reported an entire silence is kept as to the grievances from which women are suffering, so that the reading public is left in the dark as to the causes inciting to these acts of violence and must look on them as mere senseless outbursts of feminine deviltry; facts are distorted and misrepresented in a way that I can only call deliberate. I noticed this with regard to the cruelty shown by the government in dealing with suffragette prisoners and by the police in making arrests. I interviewed three women, one an American, who were members of the deputation to the King and took down explicit and detailed accounts of the brutality, sometimes indecent, they had experienced at the hands of the police. Very little of this had been published by the newspapers. On the contrary, they described the women as attacking the police. Another subject much misrepresented is the supposed hostility of the public to the suffragist. In England a certain degree of importance is attached to the opinion of the "man in the street," and in a country where there is no initiative or referendum the behavior of the audiences at great political meetings affords an approximate estimate of popular opinion. If journalistic enterprise can make it appear that the "man in the street" is opposed to woman suffrage to such an extent that it is dangerous for suffragists of any kind to advocate their principles in public, not only is an important point scored against woman suffrage, but suffragists may be terrified into silence with all submission. To kill these two birds with one stone, editors have been willing to go to great lengths; some of them seem inspired by the hope of inciting the mob to use lynch law on women. Indeed, though it is incredible that the journalism of a civilized people should sink so low, some, not content with mere suggestions, have recommended this in plain words. Wish-

ing to test the truth of these reiterated assertions about the popular antagonism to suffragists, I spoke at various open air meetings and attended others as a witness. It is the general belief among all classes of suffragists (and my own experiences sustain this belief) that whenever suffrage meetings are broken up, it is done by a band of hooligans, always the same band, who are organized for that purpose. There are grounds to think that they are subsidized. Until these ruffians appear on the scene, the crowd, though sometimes noisy (as English audiences are apt to be), is, on the whole, interested and friendly.

Not even the extreme violence to which the suffragettes have gone is bad enough to justify the continued refusal of the vote. At least, I think this must be the opinion of the newspapers, for they seldom report even this kind of violence as it happened, but embroider on it. Take the case of Miss Ivy Bonn, who, on June 3, destroyed two valuable paintings in the Doré Galleries in Bond Street. According to some of the newspapers, she turned on the manager of the gallery and "rained blows on him with a hatchet." Of course, this is nonsense, for if she rained blows on a man with a hatchet, in a jiffy he would have been reduced to mince meat and she would have been tried for manslaughter. Moreover, it is contrary to the well-known policy of the W.S.P.U. to attack human life. This absurd and damaging fable appeared in many of the London papers and found its way into some of our own, so that Miss Ivy Bonn's name in two countries is now connected with an attempt to kill. She personally gave me her word of honor that she never raised a finger against the manager of the gallery, and that no one was hurt except herself. I cull out this incident from among a store of similar cases of misrepresentation with which the columns of the English press fairly swarm.

Volumes could be devoted to the short-comings of English journalism towards the feminist movement which has been hampered not so much by the doings of the suffragettes but by the stupid and unscrupulous manner in which the whole movement has been treated by the English newspapers.

Although the granting of the vote in America is delayed by the slow and cumbersome process of amending our constitutions, state or federal, still we are fortunate in the lack of sex antagonism and

in the sympathy and assistance of American men which have done so much to promote our cause. I would advise Americans who are not familiar with English conditions to suspend harsh judgments until they have had a chance to investigate on English soil the English movement and its peculiar difficulties. In default of such an opportunity, I recommend the following books and pamphlets which cover points that I have not had time to take up in detail in this paper:

The Suffragette, E. Sylvia Pankhurst. London: Gay & Hancock, Limited, Henriette Street, Covent Garden.

Women's Fight for the Vote, Frederick W. Pethick Lawrence. London: The Woman's Press, 156 Charing Cross Road, W.C.

Way Stations, Elizabeth Robins. London, New York and Toronto: Hodder & Stoughton.

Mrs. Pankhurst's Own Story. New York: Hearst's International Library Company.

Prisons and Prisoners, Lady Constance Lytton.

Women: And the Unfair Position which They Occupy at the Present Time, J. W. F. Jacques. London: National Union of Women's Suffrage Societies, 14 Great Smith Street, Westminster, S.W.

The Duty of Tax Resistance, Laurence Housman. London: The Women's Tax Resistance League, 98 St. Martin's Lane, W.C.

The Legal Position of Englishwomen. London: The Woman's Press, Lincoln's Inn House, Kingsway, W.C.

Some Points of English Law Affecting Working Women as Wives and Mothers, Mrs. H. M. Swanwick, M.A. London: Obtained from Women's Co-operative Guild, 28 Church Row, Hampstead, N.W.

Annual Report of the Women's Social and Political Union, Year Ending February 28, 1914. London: The Woman's Press, Lincoln's Inn House, Kingsway, W.C.

Unfulfilled Pledges, Our Case against Mr. Asquith. London: National Union of Women's Suffrage Societies, 14 Great Smith Street, Westminster, S.W.

Custodia Honesta, Treatment of Political Prisoners in Great Britain, Prof. George Sigerson, M.D., etc. London: The Woman's Press, Lincoln's Inn House, Kingsway, W.C.

Militant Methods in History, Joseph Clayton. London: The Woman's Press, Lincoln's Inn House, Kingsway, W.C.

What Forcible Feeding Means. London: The Woman's Press, Lincoln's Inn House, Kingsway, W.C.

A Brief Review of the Women's Suffrage Movement since its Beginning in 1832.

Treatment of the Women's Deputations of November 18, 22 and 23, 1910, by the Police. London: The Woman's Press, Lincoln's Inn House, Kingsway, W.C.

The Life of Emily Davison, G. Colmore. London: The Woman's Press, Lincoln's Inn House, Kingsway, W.C.

The Women's Charter of Rights and Liberties, Lady McLaren. London: Grant Richards, 7 Carlton Street, S.W.

WOMAN SUFFRAGE AND THE LIQUOR TRAFFIC

BY ELLA SEASS STEWART,

Ex-President, Illinois Equal Suffrage Association and former Secretary of
National American Woman Suffrage Association.

The equal suffrage movement has suffered from involuntary entanglement with contemporary reforms. In vain has it pleaded to be judged on its own merits. It has had to carry not only its own impedimenta but the prejudices and antagonisms belonging to other reforms. This condition is inevitable for the reason that suffrage is not an end in itself but a means to an end. It is a force which will necessarily have reactions upon many public questions. So those who are vitally interested in these questions calculate the probable effect of the woman's vote upon them and allegiance or antagonism to woman suffrage depends more upon the result of such calculations than upon the abstract phases of justice and right.

The easiest form of argument is the prophetic. Woman suffrage will do this and bring that—either chaos or the millennium, according to the principles or prejudices of the prophet. The largest volume of prophecy respecting this proposed innovation has been on the effect of woman suffrage upon the liquor traffic. Many consider the temperance and woman suffrage movements as practically identical. Perhaps this connection started in the earliest years of the woman's rights movement when the battle for a woman's right to speak in public and to exercise all the rights of a delegate in deliberative assemblies was fought out upon the anti-slavery and the temperance society platforms. It was in a national temperance convention that Rev. Antoinette Brown Blackwell held her own for hours while the male delegates stormily proceeded through howls, jeers, and unseemly epithets to a favorable vote on her right to speak. Susan B. Anthony, Elizabeth Cady Stanton, Mary A. Livermore and others of the pioneer suffragists divided their early activities among the woman's rights, the abolition, and the temperance movements. There is evidence, however, that those contemporary movements felt the embarrassment of woman's public support and there were those who preferred that these good causes should fail without

woman's help rather than win with it. They were reluctant to receive women members into full fellowship.

The Woman's Christian Temperance Union was organized a quarter of a century after the first woman's rights convention and was silent on the suffrage question for a number of years. Then Miss Anthony converted Miss Willard to suffrage, and she immediately grasped the idea of the expediency of the woman's ballot as a necessary "weapon for home protection." She carried through the next national convention an endorsement which the W. C. T. U. has steadily maintained, exerting a great educational influence in many states and nations.

But long before temperance organizations had seen the potentialities of the woman vote, the saloon men were fearing woman's governmental power. The first campaign to secure enlarged political power for woman was contested by the liquor forces and the last one will be.

The suffrage associations have studiously kept aloof from temperance organization endorsements. They have held that the suffrage question should be decided upon its own merits. They have been willing to receive into membership those persons who believe in woman's right to the ballot, irrespective of their views on any other question. They have claimed for each woman citizen the right to exercise her vote according to her own judgment. In the first suffrage campaigns the hostility of the saloons was less openly displayed and the suffrage leaders tried to walk softly around the sleeping lions. The public aid of known temperance sympathizers was frequently discouraged for fear the suffrage amendment might be compromised. But during the past few years the gauntlet has so repeatedly been thrown down by these forces that the suffragists now know the futility of hoping to gain either the support or the cessation of hostilities of those who profit in any financial or political manner from the liquor traffic. The atmosphere has been cleared and the lines drawn. We now know that the center and strength of the anti-woman suffrage army are the liquor traffic and its vicious allies.

The organs of "the trade" devote regularly a considerable portion of their space to anti-suffrage editorials, framed scare-head posters, scurrilous articles, poems and cartoons. These are the only anti-suffrage papers whose opposition remains on the low planes of

coarse abuse which characterized many more respectable journals in the forties and fifties.

The organ of the Wisconsin Retail Liquor Dealers Association, *Progress*, congratulating itself on its part in the defeat of the equal suffrage amendment in Wisconsin in 1912, says half apologetically:

During the recent campaign, *Progress* has been accused of using offensive methods in its warfare. It should be understood that what *Progress* did was for the benefit of its trade—it was educational—nothing more. A few “high-brow journalists” and a “knocker” tried to put *Progress* in a bad light. But the vote on suffrage in Wisconsin tells the story, and it also tells of the influence of *Progress*.

The Wisconsin suffragists arose from this defeat, brought about through all unhallowed means, and appeared promptly the following January at the legislature asking re-submission of this question. They secured a favorable vote in spite of the activity of the liquor lobby. Then Governor McGovern vetoed the bill.

At a public hearing on this bill the lobby of the “German-American Alliance” was represented by Mr. Robert Wild and Mr. Flanders of Milwaukee. *The Wisconsin State Journal* (Madison) edited by Richard Lloyd Jones, on March 23, 1913, says editorially that “by a slip of the tongue,” when he meant to say 90,000 votes, Mr. Flanders came dangerously near the truth when he said that equal suffrage was defeated in Wisconsin by \$90,000.

Evidence is available that enormous sums of money are collected and spent by “the trade” to defeat suffrage bills and amendments. “Woman suffrage means prohibition” is the slogan of these prophets of fear. In all the recent campaigns the cities have been placarded with the sentiment “A vote for woman suffrage is a vote for prohibition” but in the “dry” rural districts quantities of leaflets are circulated urging farmers to vote against suffrage because of the failure of women to abolish saloons in the suffrage states.

After the defeat of the suffrage amendment in Michigan in the spring of 1913 the Michigan Equal Suffrage Association issued a statement in which they declared that:

Every “wet” newspaper in the state opposed equal suffrage. Every “wet” politician opposed equal suffrage. Every saloon and liquor dealers’ organization opposed equal suffrage. Every brewer and liquor dealer in the state opposed equal suffrage. The suffragists of Michigan have never made the question a “wet and dry” issue, but the wets have made suffrage an issue and we know that no one factor could have defeated us except the liquor forces.

This analysis was backed up by editorial comment of many leading Michigan papers. *The Detroit Journal* said:

The fight was made throughout the state by the liquor interests. They are the only opponents of suffrage who have any object in making an intense campaign. They made it an intense and thorough campaign.

The Lansing State Journal said:

Another reason for the defeat of suffrage may be found in the fight which the liquor interests made against it. With unlimited means at their command, they flooded Michigan with misleading literature and under the cloak of the anti-suffrage association, composed of well-known Michigan citizens, worked deadly harm.

The Kalamazoo Gazette said:

Last fall local liquor dealers vigorously denied any connection with the fight against the women, but this spring they all but openly boasted of it. There is no doubt but that thousands of dollars were sent into the state by outside liquor organizations and it was this "barrel of slush" that, more than any other one thing, encompassed the undoing of the suffragists of Michigan and sent them down to bitter defeat.

The Port Huron Times-Herald said:

There is no denying the fact that the liquor interests took a prominent part in the defeat of suffrage. The saloon men saw state wide prohibition staring them in the face if the suffrage movement was successful in Michigan. They worked openly against it and contributed largely to its defeat.

The opposition of the liquor forces is not gauged by the number of women actively engaged in temperance work. That number is still comparatively small. It takes no comfort from the fact that suffrage associations are non-partisan on all questions except suffrage. It would fear and fight off the enfranchisement of women if every temperance organization were to disband today. Therein it unconsciously pays its high tribute to womanhood and confesses its own lack of moral defense. Perhaps needless space has been taken to prove a condition so well known today as to need no citations. The forces of evil fear women's vote.

There are other men who prophesy an end to the saloon after the citizen mothers have a chance to meet it with equal weapons. They are the men who are perplexed by their own mistakes in government; men who distrust their own strength; men who reverence and believe in the nobility of women and who believe that the un-

tapped reservoirs of woman's political ideals and energies contain vast redemptive forces. All such prophets of hope might here be allowed to speak through the mediumship of Jack London, who "rode down the valley of the moon all a-jingle" and voted for the equal suffrage of California women.

I voted that women might vote because I knew that they, the wives and mothers of the race, would vote John Barleycorn out of existence and back into the historical limbo of our vanished customs of savagery. The women are the true conservators of the race. Men are the wastrels, the adventure lovers and gamblers, and in the end it is by their women that they are saved. The women know. They have paid an incalculable price of sweat and tears for man's use of alcohol. Ever zealous for the race, they will legislate for babes of boys yet to be born.

Now what have the women in the suffrage states and countries done to justify the fears of the enemy and the faith of the idealists? Does woman suffrage mean prohibition? A casual review of the actual accomplishments in legislation against the saloon might seem to give little comfort to reformers, while at the same time their tendencies are ominous enough to keep the liquor hosts in hot water. Strangely enough, women have moved more cautiously as to any radical or advanced legislation on this question than in a score of other achievements in new social legislation.

There are several good reasons for this, as the student of the question will find. First, equal suffrage was granted in new countries where women are still greatly in the minority, where customs and habits were more fluid, less established and reflected the androcentric ideals of the mining camp. With the gallantry and sense of a square deal which distinguish the best of primitive civilization, the western men gave women the ballot, and have coöperated with them in securing a mass of needed social legislation. But there has been a natural tendency for them to hold on, by sheer power of numbers, to institutions peculiarly masculine, to the domination of the parties and offices. With a commendable common sense, these enfranchised women chose the line of least resistance and have spent these years of their novitiate in perfecting the educational system, working out new schemes of correction and charity, safeguarding public health and coping with civic problems. They have thus made a record which will be a splendid background for more vital reform work.

Another fact should be remembered and that is that the saloon problem is not so easy of solution as the question of punishment for juvenile offenders, or the pure food law. The enemies of the saloon are of many minds as to how its evils can be eradicated or reduced to a minimum. They split upon methods. So with the prevailing uncertainty and confusion among conscientious anti-saloon workers it is not surprising that a minority sex in a man-made state should register somewhat of that indecision. But the testimony of reliable people in the western states is to the effect that the efforts to curb saloon power have been put forth largely by women and that here as everywhere the majority of women are against the saloon.

Colorado, California, Oregon and Washington are now in the midst of campaigns for state-wide prohibition and the work of securing the signatures for the referendum is credited largely to women. In Washington this movement has secured the endorsement of the State Federation of Women's Clubs representing 10,000 women, the Mothers' Congress, the Parent Teachers' Association, and the Washington Woman's Legislative League. Wyoming has passed a law prohibiting saloons outside incorporated towns, which automatically made ninety per cent of the area of the state no-license. In 1913 five of the cities excluded saloons by action of the city councils. They have enacted a stringent Sunday closing law. Idaho and Utah have been using the local option law as blotters. Idaho has twenty-one of her thirty-three counties dry, and only about 195 saloons. In the last local option election in Utah, 82 out of 110 cities voting went dry. Sixteen of the wet towns are mining camps. Both these states are preparing for prohibition amendment campaigns in 1915.

Hon. Edward Taylor of Colorado in an address in Congress made the statement that when women were given the vote in Colorado there were only three no-license towns. Fifty-four per cent of the population of Colorado now live in dry territory. Doubtless this number would have been increased during the years if women had remained unenfranchised, but their direct influence has been more effective. In California, Oregon and Washington recent elections have registered sweeping no-license victories. In Washington two dry towns became wet, one by three votes, while 160 wet towns changed to dry and three counties became entirely dry.

In other suffrage countries about the same record has been made. The New Zealand women have undoubtedly worked harder

to secure prohibition than the women of other countries, and the last three elections have shown great advances in the vote against the license system. However, three-fifths of all the votes cast are necessary to carry the measure. This makes it a difficult task. Here, also, women are in the minority, yet if all women had voted favorably it might have been carried. Prohibition in Iceland followed too closely upon the victory for woman suffrage to claim any considerable credit for women. The same might be said of Finland where a prohibition measure passed the first session of the Finnish Diet. Women were members of that body and a woman member introduced the same measure in the second Diet but neither time has it secured the approval of the Czar.

The most notable records of women's opinions on the saloon question have been registered in Illinois. There are reasons why this record is most indicative of women's ultimate decision upon this question. In the first place, Illinois is the oldest, the most populous, and the most eastern of all the suffrage states. Men and women are more nearly equal in numbers. Ideals and moral standards are more developed, more conventional, than in the newer states. There have been years of education on all phases of the saloon problem. Again, the organizations of women are large, well trained and they coöperate with one another. The Illinois women have a limited suffrage and because they cannot vote for all officials of any election, separate ballots and ballot-boxes become necessary. Therefore, for statistical purposes, these elections will take precedence over more important ones in other states.

The surprising results of the first elections in Illinois become all the more remarkable when one considers that the Illinois suffrage victory was the result of the active work of comparatively few women during those years in which it was being promoted. In the nine states where constitutions have been amended it was the educational work of the majority of women which encouraged the majority of men to grant equal suffrage. The women who worked were naturally keen to use the vote. In Illinois masses of women scarcely knew of the efforts of the lobbyists and organizers who were securing a legislative victory. Thousands of them had not contributed a dollar, organized a meeting or written a letter to secure their suffrage. Would they use it now that it had been dropped into their laps? That was the question the whole state was asking.

No more fortunate thing could have happened than that the first elections under this new law, which had come so easy, should have been on what appealed to women as a moral issue. The suffrage law went into effect July 1, 1913. During that month a number of special elections had been called in scattering precincts throughout the state. On July 22 two small cities, Carpenterville and Benton, voted on the licensing of saloons. Although the time was short the towns were thoroughly organized and in Benton more women voted than men, four hundred and nineteen voting dry and fourteen wet.

Three important local option elections have been held since Illinois women were enfranchised. On November 4, 1913, sixteen counties in the southern part of the state voted. On April 7 the townships in the eighty-five counties which are under township organization held their elections and the city elections followed on April 21. As a result of these elections nearly 1,200 saloons were voted out of 260 townships, and twenty-two counties were made entirely dry. This brings the total number of dry counties up to fifty-two in the state. In not a single precinct did territory previously dry change its policy. The result would have been different in over a hundred townships if the women's vote had been thrown out. Over sixty-five per cent of the women voting at these elections recorded their votes against the saloon.

The defeated liquor men instituted suits in many of these counties to have the women's vote declared unconstitutional. These cases were lost in every county court. An appeal to the supreme court of the state resulted in a decision handed down June 13, 1914, upholding the constitutionality of the suffrage law. In about a dozen precincts in these elections in Illinois a majority of women voted for saloons. Springfield, Quincy, Galena, Savanna and Joliet were the only cities making this unenviable record.

In Jacksonville thirty-six hundred of the four thousand eligible women voted. This is a conservative city where both suffrage and temperance organizations had always been small. Of the thirty-six hundred women voting only six hundred and fifty-four voted for the saloon. In Galesburg, 90 per cent of the women's vote was dry and many of the smaller towns crowded close to the record of Atlanta, which registered 96 per cent dry. In Virginia, a county seat town, not a single woman's vote was cast for the saloon. The government's internal revenue on special spirit tax has been reduced \$15,000 since these elections.

The striking feature of these first elections was the character of the women who led in the preliminary work. Most of them were club leaders and prominent local women, few of whom had been enrolled in either suffrage or temperance organizations. But finding themselves possessed of the ballot, and responding to the civic responsibility of making their towns safer and cleaner, they threw themselves into the work of educating the masses of women in election technique and in organizing to secure the largest possible vote of the women. This experience has extended the bounds of their character so that never again can they be indifferent to these two reforms. This spiritual quickening has been the most important phase of the Illinois suffrage victory.

Two other events which have taken place in Illinois since suffrage was granted might be recorded as the truest measure of woman's mind on the liquor question. Their significance is greater than the effects of the woman vote on temperance in the suffrage states up to the present time. I refer to the almost unanimous endorsement of prohibition by the Illinois and the General Federations of Women's Clubs. Never before had such a proposition been made. Temperance has been more tabooed in club circles than suffrage. But when the 563 delegates at the Illinois federation convention heard the resolution read that,

WHEREAS, the public saloon is the cause of much sin and want among our people, and

WHEREAS, the state legislature has placed within our hands the means by which we can better conditions in this state,

Be it Resolved, That the delegates of the Illinois Federation of Women's Clubs place ourselves on record as opposed to the traffic in intoxicating beverages and urge their sisters of the state to use every possible opportunity at the ballot boxes to add Illinois to the list of dry states.

the resentment which seemed to have been smouldering in every woman's breast against this racial enemy burst into flame and only five women had the spirit to stand against the motion!

Again in June, 1914, the greatest convention of seated delegates that Chicago has ever entertained, the General Federation of Women's Clubs, reached the summit of the mount of vision and declared for their own freedom. At once they began to see great duties in a new light and their official resolutions registered the high water mark of public conscience toward social ills.

Without one dissenting voice they declared that:

Since the liquor traffic is responsible for three-fourths of the crime, vice and misery in this country,

Be it Resolved, That the women of the General Federation place themselves on record as opposed to the liquor traffic and in favor of such federal or state laws as will tend to eradicate this evil.

Thus has the most important organization of American women worked back through the labyrinthian paths of vital statistics, records of hospital wards and insane asylums, epileptic colonies, criminal statistics, degeneracy, the social evil, poverty—back to the Minotaur at the center, who has controlled these pitiful trails of woe for the sons and daughters of the race.

Well may the liquor traffic fear the enfranchised woman when she has learned her power.

THE EQUAL SUFFRAGE CAMPAIGN IN PENNSYLVANIA

BY JENNIE BRADLEY ROESSING,

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Woman suffrage is one of the modern developments of justice which is being secured so rapidly all over the world that many people still err in thinking of it as a comparatively young ideal. In Pennsylvania, Hannah Penn initiated the movement when she served the colony as its proprietary ruler for nine years after the death of her husband, William, in 1718. The struggles of pioneer days, absorption in Indian and other wars, the determining of the large outlines of the democratic form of government, put the woman suffrage question into the background until the Civil War had finally settled the destiny of the states and the solidity of the Union was achieved. Though the first woman's rights convention was held in 1848, the movement was not widely launched until some years later. The first organized gathering of suffragists in Pennsylvania was held in Philadelphia in 1869. Philadelphia, being largely Quaker, the new reform took root there as an anti-slavery adjunct, the same people being interested in both movements. At this first meeting which became the state's first woman suffrage convention, the state body, the Pennsylvania Woman Suffrage Association, was organized; Miss Mary Grew was elected president and among the other officers were such noted women as Mrs. Charlotte L. Peirce, vice-president, Mrs. Gudelius Jones, treasurer, and Miss Annie Hancock, secretary. Mr. John R. Wildman was second vice-president. Lucretia Mott, Eliza Sproat Turner, Sarah C. F. Hallowell, Mrs. Mercy Williamson were other pioneer workers. The object of the organization was "to secure for women the exercise of the right of suffrage and to effect such changes in the laws as shall recognize the equal rights of women with men." There has been no deviation from this purpose throughout the years. The constitution was revised to meet new conditions in 1913, but the only change made in this article was to condense it into one phrase, "to secure woman suffrage."

From the beginning the Pennsylvania suffrage movement has been conducted along educational lines. In the earlier years this

educational work consisted largely in holding meetings, writing newspaper and magazine articles, distributing literature. Annual state conventions were held in different cities, Philadelphia, Lancaster, Easton, West Chester, Reading, Pittsburgh, Lewistown, Oxford, Norristown, Newtown, Kenneth Square, Harrisburg being among the places so visited. Mrs. Lucretia L. Blankenburg of Philadelphia was state president from 1894 to 1908 and was followed by Mrs. Rachel Foster Avery who served two years. In 1910 Mrs. Avery moved out of the state and Mrs. Ellen H. E. Price became president, serving two years also. Until 1910 the only headquarters were the homes of the officers and there were no salaried workers, but the work had grown so heavy that in the autumn of that year the first state headquarters were opened in an office building in Philadelphia with a secretary in charge. In 1912 the state officers were moved to Harrisburg in order to concentrate upon the legislature and will remain in the capital until the end of the campaign, being also more centrally located as a basis of operations for the work radiating over the state. In addition to these state headquarters, ten cities now have local headquarters, all working in close coöperation with the state centre. By the summer of 1915, it is planned to have at least thirty of these local headquarters advantageously distributed over the extensive territory of the state.

Nine states of the Union and Alaska have fully enfranchised their women, in twenty-one more states women have partial suffrage, but in Pennsylvania women are totally disfranchised, not even voting on school matters. As in all the other states, so in Pennsylvania woman suffrage can be secured only through an amendment to the constitution. A resolution providing for the submission of such an amendment must pass two successive sessions of the state legislature by a majority vote in both houses, and be ratified by a majority of those voting on the question at the following general election. Suffrage work in our state was therefore of a passive nature until such legislative action could be secured. The first attempt to get the resolution through the legislature was made in 1911. There was a hearing before the members of the senate and house at Harrisburg on March 14, 1911, but no legislative action was secured. The resolution was referred to a commission to revise and codify the election laws of Pennsylvania, which commission had been appointed by the legislature. This commission granted a hearing on the reso-

lution in Philadelphia on March 22, 1912, the only result of which was a statement in the official report which this commission made to the legislature of 1913, that the question of woman suffrage was not germane to the business of the commission, and consequently no recommendation by the commission was made. In January, 1913, the resolution was again introduced in the legislature, passed in the house of representatives by a vote of 131 to 70, and after a long, close contest in the senate by a vote of 26 to 22. It has been said that it was the most bitterly fought successful bill of many legislative years. In the senate, it was twice saved from defeat by the deciding vote of the lieutenant-governor, it being the first time in thirteen years that the presiding officer had been called upon to vote.

The history of the work is thus divided into two spans,—the passive or generalized period from 1869 to 1913, and the active or political campaign from 1913 to November, 1915. Immediately following the legislative victory of April, 1913, plans for the present campaign were outlined. It was reiterated that it would be continued as an educational campaign, using all the modern educational methods and opportunities. For a time the activities of the English militants were so widely and so almost exclusively heralded in all the newspapers in this country that the public began to think that militancy would soon become the method of the American advocates. To make our position clear, the state executive committee early in 1913 issued a statement committing the Pennsylvania association to the continuance of its "educational methods in keeping with the dignity of the movement and the character of the women engaged in it."

The direction of the campaign is under the state association which consists of the local organizations formed throughout the sixty-seven counties of the state. All details are decided by the state executive committee, comprised of the eleven state officers and chairmen of the standing committees. The local groups are organized as clubs, leagues, societies or branches of the woman suffrage party, all being affiliated with the state body. Because of its effectiveness for campaign purposes, the party form of organization is that most advocated now. It is organized by political districts, but the general propaganda it conducts is identical with that of other groups. Under the state chairman, the state is arbitrarily divided

into nine divisions of seven or eight counties each with a "division chairman" for each of the nine sections. Under these division chairmen, there is a county chairman in each county and under her a legislative district leader for each legislative district in the county. The legislative district is again subdivided with leaders and officers for each part—city, borough or township chairmen, ward and precinct captains. House to house canvassing is done and the opinions of all adults registered, resulting in a poll of the voters of each election district. Men have always been staunch supporters of the suffrage movement, all the regular organizations having many men members. To emphasize their determination and to assist specially with legislative work, men's leagues for woman suffrage have been formed in a number of cities, Philadelphia, Lansdowne and Pittsburgh having the largest leagues.

One effort of the suffragists has been to secure action within the men's various political parties. Probably the most convincing proof of the growth of the sentiment for equal suffrage in Pennsylvania has been the change of attitude on the part of these parties. For many years the Prohibition and Socialist were the only platforms in which the issue was even mentioned. Today every party in the state has a plank in its platform advocating the passage of our bill by the next legislature, and four of the five platforms contain also a strong endorsement of woman suffrage itself. It is interesting to note that although the National Democratic party has done nothing to forward federal action on woman suffrage, and is in effect opposed to the movement, our state Democratic party helped to secure the passage of our bill in 1913, and the plank in its platform unequivocally endorses votes for women. These successes are due chiefly to the work of the woman suffrage party organizations which at the appropriate time brought constituency pressure to bear by informing and reminding the various parties' county committeemen and candidates of the wishes of the people at home.

Since the suffrage resolution must be passed again by the legislature of 1915, another piece of practical campaign work was to see that candidates for this next legislature were in favor of and would vote for our bill. As many candidates as possible were interviewed in person or by letter by a committee from the suffrage organization in their district. In some counties, every candidate on every ticket was pledged. The United States senatorial and gubernatorial can-

didates were likewise asked to announce their positions. All did so favorably, except one gubernatorial candidate in the Democratic party. After giving this candidate every possible opportunity, the suffragists opposed him at the spring primaries and his defeat left us with all the gubernatorial candidates in favor of woman suffrage.

The detailed methods of the campaign are embodied in its five departments of organization, finance, publicity, literature, and speakers bureau. In addition to the officers who are constantly active there are six field organizers.

From the publicity department the press chairman sends weekly bulletins to newspapers in every county, prepares advance notices for meetings and events in unorganized communities and attends to the general campaign publicity features. Eight special suffrage editions of daily newspapers have been issued in various cities and similar editions are planned for other towns during the remainder of the campaign.

The literature department serves to supply local organizations and individuals and has become a well established business, purchasing over \$3,000 worth of literature and supplies in nine months in 1914. All general suffrage publications are kept in stock and leaflets applying especially to Pennsylvania are being printed. Among the latter are *Women under Pennsylvania Laws*, giving the legal discriminations against women in this state, *The Status of Woman Suffrage in Pennsylvania* and *Opinions of Prominent Pennsylvania Catholic Clergy*, the titles of which are self-explanatory. In great demand also are the novelties and supplies—votes for women fans, buttons, paper napkins, pennants, note-paper, drinking cups, lanterns, flowers, lead pencils, candy, children's toys. Three workers are kept busy filling orders in this department which occupies two rooms.

The speakers bureau serves as a non-profit making agency to bring the best speakers in the country into Pennsylvania, endeavoring to supply each locality with the speaker best suited to it and to distribute the famous speakers fairly over the state. Among those for whom tours have been or are being arranged are Jessie Ackerman, Sophonisba Breckinridge, Horace Bridges, Margaret Foley, Beatrice Forbes Robertson Hale, Clara S. Laddey, Rabbi J. Leonard Levy, Scott Nearing, Senator Helen Ring Robinson, Dr. Anna H. Shaw, Anna Garland Spencer, Mary Church Terrell, Charles Zueblin.

In the closing period of all campaigns, open air meetings become

necessary and popular. At these a group of workers take charge, one speaking more often from an automobile than from the historic soap box, others passing collection baskets and asking adherents to join by signing a membership card. Without an exception these meetings in Pennsylvania have been dignified and orderly, the crowds being uniformly respectful. Booths at county fairs are another form of summer activity. From these decorated stands, speeches are made, literature distributed and propaganda conducted appropriate to such occasions.

A prize suffrage poster contest was held in 1913, the award of \$25 going to a young Philadelphia artist, Miss Iva Ritter. Suffrage plays by amateurs and moving picture films are also part of the educational work. Prizes for the best school essays have been given; debates have been held; organizations of all kinds addressed. The Pennsylvania State Grange (properly called the Patrons of Husbandry), the Pennsylvania Farmers Alliance, the Pennsylvania Federation of Labor, the State Women's Christian Temperance Union, the Yearly Meeting of the Society of Friends, the Eastern Pennsylvania Methodist Conference have all passed strong suffrage resolutions. We have also been benefited by the endorsement of such important national bodies as the General Federation of Women's Clubs, the National Women's Trade Union League, the National Education Association, and it is fully expected that the Pennsylvania branches of these bodies at their next state meetings will confirm these endorsements. More people have endorsed woman suffrage than have ever endorsed any one other public movement.

The funds for the campaign are raised chiefly by public subscription. Most of the organizations are non-dues paying and in all cases the dues are small, ranging from 25 cents to a dollar. Other incomes from sales of literature, collections at meetings, etc., are also comparatively small. Until the outbreak of the European war, the treasury was well supported, but that calamity has greatly decreased contributions. The special efforts which women are making in this period of stress are characteristic of their deep earnestness. One woman who lives on a farm is making cottage cheese which she sells in a neighboring town and by which she is giving \$50 this year. At 10 cents a quart, this contribution means five hundred quarts patiently, quietly, constantly churned, sold and delivered. A \$25 contribution comes as the result of giving up a new winter suit.

The hundreds of small contributions represent many sacrifices and are the foundation of the one \$5,000 contribution from a Pennsylvania woman who wishes to be an anonymous donor.

Co-existent with their state work, Pennsylvania suffragists have always assisted with the national movement through the affiliation of the state association with the National American Woman Suffrage Association to the support of which \$1,000 was contributed in 1914 and \$500 additional paid for dues. The state congressional committee works in coöperation with the national congressional committee and consists of one member from each of the thirty-two congressional districts in the state. One of the most brilliant national suffrage conventions ever held met in Philadelphia in 1912 as the guest of the Pennsylvania state association.

As an organization, the Pennsylvania Woman Suffrage Association, like the national association, is absolutely non-partisan. By action of the state executive committee no state officer is permitted to become affiliated with any political party. Individual suffragists sometimes espouse political creeds, but leaders are urged not to join political parties. This attitude is due not only to the fact that partisanship would retard our progress but because of the not unnatural feeling that the women will wait until some party "makes good" and gives them their freedom.

To cite merely these facts and incidents about Pennsylvania's actual suffrage work is like putting bread on the table and nothing else. The woman suffrage movement is not an isolated issue—it is merely a vigorous compelling part of the whole world wide movement to secure social equality and political justice. Its progress is co-extensive with that of correlated struggles for human advancement, and as surely as the world grows better because juster and more humanly inclusive, so surely will the extension of the franchise be granted to women.

In November, 1915, another liberty bell will be ready to peal forth its message of freedom in Pennsylvania. This bell, the gift of Mrs. Katharine Wentworth Ruschenberger of Strafford, Pennsylvania, will be an exact bronze replica of the famous liberty bell. But, its clapper will be silenced by chains fastened to its yoke and will swing only when Pennsylvania women are free. This new liberty bell will make a tour of the state during 1915, arranged so that the bell will reach Philadelphia by November and be placed

in position to ring out its glad tidings after election day. In its way, this symbol, chained and mute, typifies the appeal which the women of Pennsylvania are making to their men. Not that we ask privilege but liberty—the same passionate desire that stirred in men's hearts a century ago is throbbing in our breasts today and for the same reasons. We, too, would be free to develop the finest race under the best conditions for the greatest good of all.

COMMUNICATION

ARE FOODSTUFFS CONTRABAND OF WAR?

BY HARLEY W. NEHF,

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The question of contraband still presents difficulties to the nations of the present day. The different views which they hold regarding it often are inconsistent. England takes the position that articles other than arms can be treated as contraband. Not until recently has she been willing to consider foodstuffs contraband only when they are intended for military uses. From the beginning France has considered nothing contraband unless it has a use for war. In 1900 Russia published a list of contraband from which foodstuffs were excluded. She maintains this position although the strong influence of Great Britain and the United States has sometimes caused her to do so. The United States has long recognized that food, unless for a military use, can never be regarded as contraband. It is almost universally agreed that, under certain circumstances, provisions, which are ordinarily innocent, can be condemned as contraband goods.

The position of the leading nations is most definitely stated in the declaration of London which contains the modern international law of contraband. It was drawn up by the naval conference in 1909 at which were represented Germany, United States, Austria Hungary, Spain, Great Britain, Italy, Japan, Netherlands, and Russia. All articles are divided into four classes and are absolutely contraband, conditionally contraband, not contraband, or those which may be made contraband by special declaration of the belligerent.

Articles absolutely contraband are those which are used principally for military purposes. This class also includes saddle, draught, and pack animals which are suitable for military operations. Articles conditionally contraband are those which are susceptible to military uses. They include foodstuffs, forage, clothing suitable for soldiers, gold and silver, vehicles, vessels, flying machines, fuel, powder not specially prepared for war, telegraphs, telephones, and

materials for building railways. Articles not contraband include raw materials of the textile industries, rubber, metallic ores, paper, agricultural and textile machinery, precious stones, and furniture.

It is interesting to notice the positions that the nations have taken on the question of contraband in previous wars. England, in 1597, refused to allow the Poles and Danes to furnish Spain with provisions because she wanted to reduce Spain by famine. In the Napoleonic Wars she considered foodstuffs occasional contraband and she seized food supplies going to France but she paid an indemnity for them. During the Franco-Chinese War, however, she protested because rice had been declared contraband. During the Boer War she seized provisions even though she had no evidence that they were to be used for military purposes. When provisions were declared to be unconditionally contraband in the Russo-Japanese War she uttered a protest.

France, in 1794, decreed that no articles should be considered contraband unless so specified in the treaty of 1778. During her war with China, in 1885, she claimed the right to seize cargoes of rice destined for any port north of Canton. Germany, in the War of 1807, applied the doctrine of occasional contraband. Russia, at the outbreak of her war with Japan, declared foodstuffs absolutely contraband but the protest from other nations caused her to modify her declaration so as to make them contraband only when destined for use in war.

The United States strongly protested when Great Britain, during the Napoleonic Wars, declared as contraband provisions destined for French ports. In the War of 1812 she considered as contraband a cargo of grain, on a Swedish ship, bound for a neutral port but for the use of the British fleet. During the Civil War she maintained the doctrine of occasional contraband. In the Spanish War she considered provisions conditional contraband. During the Boer War she held the view that foodstuffs should not be contraband merely because they were capable of being used by an enemy. During the Russo-Japanese War she emphatically denied the doctrine that foodstuffs can be deemed absolute contraband and again strongly maintained that they can be contraband only when destined for military uses.

The difficulties that have arisen in connection with contraband have resulted not so much from an effort to determine what is the

nature of contraband as from the effort to determine what articles shall be placed on the contraband list. That this difficulty should exist can readily be appreciated when it is remembered how varied are the commercial and industrial interests of the different nations. It is frequently heard that an article is either contraband or it is not contraband. Without further limitations and restrictions the statement is not accurate. Those who make such a statement consider only the material character of the article. In addition to this, in considering contraband, inquiry must be made as to the use to which the article is to be put. In fact, the latter is the more important consideration of the two. It is true that a certain grain is wheat or it is not wheat. It is true that the discharge of a rifle is the discharge of a rifle. But there is a difference whether it is aimed at a target or at a human being. So in determining the contraband character of goods. It cannot be said whether wheat is contraband until it is learned to what uses it is to be put. This difficulty presents itself in attempting to arrive at a contraband list.

The circumstances which make a particular article contraband must also be defined. When the circumstances of a particular instance are known, a definite conclusion should be forthcoming as to whether the article is contraband. Its previous doubtful character should lose significance.

An examination of various treaties shows that it is impossible to compile a definite list of contraband articles. The same difficulty is experienced when the opinions of leading writers on the subject are consulted. Generally speaking it may be said that the nations have followed one of two leading tendencies. One is championed by England who favors a long list of contraband with stringent enforcement. The other is championed by France, Germany, and Italy who favor a short list of contraband with more lenient enforcement.

What conditions are necessary to constitute contraband? In other words, what tests may be applied to determine whether the belligerent is being injured by trade between its enemy and foreign nations which does not exist in time of peace? In some instances the harm to the belligerent has been measured by the size of the trade. If it was small the presumption existed that it was the ordinary amount that had been carried on during the time of peace. If, on the other hand, it was large it was presumed that the war had created addi-

tional demands as a result of which the trade was large. This, of course, is not a sound basis upon which to form conclusions as can be seen by an examination of export and import statistics which show that even in time of peace different years often present great fluctuations.

Whether the trade is regular or irregular is a more satisfactory basis from which to judge. It might be regular both as regards the character of the goods and the source from which they are received. If different kinds of supplies are received during war than in peace periods it is reasonable to assume that the war created a new demand.

The satisfaction of this new demand may then be said to be a direct aid in time of war and probably the enemy should be allowed to prohibit it. The same principle applies as regards the source from which the goods are received. If the belligerent receives supplies from a nation in time of war with which it had no dealings in time of peace it is safe to assume that the war created a new demand the supply of which aided directly in war and probably the enemy should be allowed to take steps to prevent such trade.

In considering the source of supply another element should receive attention, namely, the place where the products were grown. If sent from a country in which they were grown they would more readily be considered innocent than if sent from one in which they were not grown. The former would be considered a natural manner of trading while the latter would be considered unnatural. Such a conclusion rebukes the theory that one nation should act as middle man for other nations.

Another test applied has been the condition of the goods. Raw goods are more liable to be innocent than manufactured ones. This is one of the elements to be considered in determining contraband character. While the distinction may appear to be far-fetched there is at least some justification for it. Effort expended in manufacturing an article may be considered as effort expended in aiding an enemy at the expense of the other belligerent.

Probably the most important test is the destination to which the goods are to be sent. In fact, many writers have considered only two elements in the discussion of contraband, the contraband character and the hostile destination. When articles are sent to such places where they will aid a belligerent the enemy has the right to interfere in order to strengthen its own position. The destination

determines almost directly whether an advantage is being given to the belligerent.

That this fact has been recognized as being true by the various nations is shown by the methods employed at different times to conceal destination. Circular tours and pretended voyages have been resorted to in order to deceive the enemy. Even the ship's papers have often been altered to meet the emergency.

While the immediate destination is the primary test yet the eventual destination is also taken into account. It is right that this should be the case. Ultimately the belligerent, so far as warfare is concerned, will secure an equally great advantage whether the goods are received directly or indirectly. The injury to the enemy will be the same in either case. Were the rule otherwise the primary object of the whole law would be defeated.

In this connection it is well to inquire how far the voyage may continue before contraband takes place. It is clearly established that no offense can be committed by selling or transporting goods within neutral territory. This is entirely permissible so long as the frontier line of the neutral is not crossed. Such a policy of the law maintains the position of the neutral. Otherwise the rights of neutrality would be lost. After the goods have crossed the frontier the question as to the hostile destination arises. The offense of carrying contraband is completed with the deposit of the contraband cargo at the belligerent destination. But with this we will deal later in considering the proceeds of contraband goods.

An examination of these various tests shows that the determination of contraband depends ultimately upon the circumstances of each case, the character of the cargo, and the hostile destination. It also shows that generally anything which is helpful to the enemy will be contraband. It follows from this that arms and munitions of war are always contraband. Foodstuffs may or may not be.

Not only has there been much discussion as to what constitutes contraband but there has been also a disagreement as to what agencies should determine that question. Some believe that the law of nations should govern while others think the question should properly be decided by conventional law. To determine the relative merits of each is much the same as determining the relative merits of common and statute law. In the latter case, however, the decision and statute may occur in the same jurisdiction. In the former they

may be pronounced not only in different jurisdictions but under conditions entirely different so far as the material, civil, or moral is concerned.

The law of nations is unsatisfactory essentially because it is made in time of war. The impassioned desire for gain, the confusion of conflict, and the heat of excitement are undesirable elements which should not entertain men who are engaged in making laws. Often the measures presented are the result of entirely irrational acts.

There is a second reason why the law of nations is unsatisfactory. Even should there be a most deliberate consideration of a case in question, the unsettled conditions and the many unnatural and extraordinary situations requiring attention make it very difficult to render a satisfactory decision. The positions and interests of the various nations are not always properly understood.

A final reason why the law of nations is not satisfactory is because the interpretation of it is often left to a few individual writers. Even though they do become recognized authorities they may not represent popular justice. Their reputation may have been gained merely because they more nearly do so than others. A writer limited largely by national influences is not always able to announce a correct decision influencing international interests.

The conventional law is doubtless a means of more accurately arriving at what is justice in international law. It requires no proof to show that this is true. In fact, experience already has proven it. In national as well as in international affairs there has been a constant tendency to codify the law in order that the uncertainties of interpreting judicial decisions may be abolished.

The decisions are in conflict as regards the liability of seizure of the proceeds of a contraband cargo. A further analysis of the theory justifying the seizure as contraband would also justify the seizure of the proceeds. When contraband goods are seized no harm has been done to the enemy but the very fact that harm was intended justifies the enemy in taking the cargo in order to secure itself for the future. Let us assume that contraband goods were actually delivered to the belligerent but that they proved to be of no harm to the enemy. The enemy seizes the proceeds. Under the theory just mentioned it would be justified in doing so in order to secure itself for the future. The proceeds if not taken would be used to produce more contraband goods thus jeopardizing the interests of the enemy. The case just

assumed forces a distinction between the proceeds of a contraband cargo which actually harms the enemy and one which does not. Probably few courts would recognize such a distinction. But, as already stated, some courts would not allow the seizure of the proceeds even though the cargo which they represent actually harmed the enemy. That was held to be the law in the case of the *Imina*. The ground of the decision was based upon the previous law of nations. The case of the *Margaret* is squarely contrary to this. Here a vessel had carried contraband from Baltimore to the Isle of France. After performing different voyages it sailed from Batavia to return to Baltimore. Three years had elapsed between the going and return voyage. The court held that she could be condemned, together with her cargo. This is a notable decision because of the extreme views which were held. Not only had the vessel performed other voyages on the same trip—her mission was not solely to carry contraband goods—but was returning from a different port than that in which the contraband goods were deposited. In the case of the *Naney* the views of Lord Stowell were not nearly so extreme. He held that the proceeds could not be taken unless “the outward and homeward voyages are really but parts of one transaction.” Under the present law proceeds would ordinarily not be liable to seizure.

The study of the question of contraband presents a clear but difficult issue with which to deal. The claims of the belligerents, on the one hand, and of the neutrals, on the other, are generally admitted. Belligerents are justified in suppressing any aid which may be given to their enemies. They have a right to use legitimate methods to protect and strengthen their own position and to weaken that of the enemy. Neutrals, on the other hand, which have in no way caused the war, have a right to continue their business without interruption and losses. In 1793, when England had issued an order to capture all ships carrying property belonging to French subjects, American trade was seriously hampered. Owners refused to allow their ships to be sent out, prices fell, labor was out of employment, and general business disruption resulted. That neutral nations should not be injured in this way is clear. The position of the neutral is not secure so long as an article can be placed on the contraband list by the mere declaration of a belligerent. Certainly a single sovereign should not be allowed to exercise such authority at the expense of other nations.

To declare all goods contraband entirely protects the belligerent. To declare all goods free of contraband entirely protects the neutral. Some compromise must be effected. Both parties with opposing interests cannot be protected. There is a growing tendency to allow conventional law to dictate what methods of compromise shall be adopted. Probably the most important feature of compromise up to this time has been the stipulation that the belligerent be required to compensate the neutral for such contraband goods as are seized. Probably no more satisfactory method of solving the problem will soon be found. It is, however, not entirely satisfactory. The most liberal allowance that has been offered is the market price, plus cost and freight and a reasonable profit. Ordinarily this will not fully compensate the neutral for war prices are often higher than market prices. Many difficulties are presented in determining what is a fair market price and what is a fair profit. The position of the neutral will be strengthened by allowing it to appeal its case to an international prize court.

While a neutral power may not supply contraband goods to an enemy in time of war yet its subjects may do so. It is sometimes said that a duty should be placed upon the neutral to prevent such shipments. But statesmen are not in sympathy with such proposals. They believe that the neutral should not be burdened by such obligations, that the belligerent, which is liable to suffer, should bear the burden. The law of nations has considered the position of the neutral to be a passive one. It has charged the interested parties with enforcing such claims as they might make, allowing them to inflict certain punishments for violations of their rights. Neutral powers do not attempt to prohibit their subjects from trading in contraband goods.

There is a reason why the government should prohibit its subjects from carrying on such trade. The neutral professes to be a friend to both belligerent powers. If it aids one a wrong is done to the other. If a subject furnishes the aid a similar wrong is done. If the neutral has the power to prevent it and does not, it must itself be considered guilty of the wrong. It should exercise the initiative just as it is compelled to do in preventing the enlistments for foreign armies on its own land. If the latter obligation is enforced by penalty why should not the former be?

There is also a reason why the government should not prohibit its subjects from carrying on such trade. It could not be prohibited

without considerable expense. The neutral should not be compelled to bear this burden inasmuch as the war was started without any fault of its own. It is very difficult for a nation to suddenly attempt to closely watch trade in time of war when it has not been accustomed to do so in time of peace. Should the neutral power attempt to perform such a duty it would doubtless cause many restrictions to be placed upon the innocent trader in order that it would be sure to restrict the guilty one. The neutral power should not be placed in a position where it must discriminate against an innocent subject.

It is lawful for merchant vessels of either belligerent to supply themselves in a neutral market with contraband articles. Neither moral nor legal principles discourage the legitimacy of such a policy. It is a purely commercial proposition.

The principal reason for such an established policy and the main argument which supports it are found in the fact that there can be no contraband trade in neutral waters. Contraband goods are not liable to seizure until the neutral frontier has been crossed and they are upon the high sea. Here again the neutral is allowed to pursue a passive policy leaving the enforcement of the law of nations to be executed by the parties in interest.

There is also an argument against such a policy. A neutral should be required to acquaint itself with the actions of its subjects. If it finds evidence that its subjects are aiding a belligerent which in turn will harm a friend the neutral is bound to become active in protecting the friend, or at least in preventing such acts which will help a belligerent. Only by pursuing such a course can international suspicions be avoided. If contraband articles cannot be furnished by a neutral to a belligerent on the high sea why should it be allowed to do so at its port? The ultimate result may be practically the same.

It is an established rule of international law that a neutral cannot interfere in behalf of its subject whose contraband goods were seized by a belligerent. The reason for this is that the neutral is presumed to occupy a passive position in all contraband matters. Just as it is not bound to prevent its subjects from dealing in contraband goods so it is not allowed to help them when such goods have been taken. When the neutral advises its subjects as regards goods that have been declared contraband it also warns them that any dealing in them will be carried on at their own risk.

Some of the particular circumstances should be determined

which have caused foodstuffs to be placed in a class more or less by themselves so far as contraband is concerned. There is a wide difference of opinion as to whether foodstuffs ever ought to be considered contraband of war and if so under what circumstances. The general rule is that if goods aid an enemy they are contraband. Food supplies aid an enemy as much as do arms yet the latter have always been considered contraband while the former have not. War consists primarily in killing the enemy which can be done by an empty stomach as well as by a bullet. Why should foodstuffs not be contraband?

War consists also in guarding against being killed. By depriving the enemy of food its style of fighting—if it can continue to fight at all—becomes much less aggressive. Here again it would seem that foodstuffs should be classified as contraband goods. The belligerent without food must cease to fight. The neutral which supplies the besieged belligerent with food is obligated to the enemy for the loss which it sustains thereby.

The question arises whether an enemy, endangered by famine, may strengthen its fighting position by the seizure of foodstuffs bound to a belligerent. If this is done the enemy becomes active not against the belligerent but against a neutral power. To seize neutral goods for its own immediate use is practically starting hostilities against the neutral. Such actions have, however, already been justified under a rule of necessity but the validity of the rule would probably not be sustained at the present time.

The many complicated issues involved in the doctrine of contraband have made it difficult to compile a complete and definite list of contraband articles. Modern methods of warfare tend to make the list a changing one. Early treaties between leading nations definitely provided that goods pertaining to the nourishment of mankind were not contraband. In recent treaties the nations have been inclined to modify their former positions and have classified foodstuffs with much hesitancy. Many inconsistencies are found because the commercial and industrial interests of the nations differ so widely and because the viewpoint of a neutral is different from that of a belligerent.

Any contraband lists that may be compiled by conferences, from time to time, will be influenced by the prevailing view that provisions, which are ordinarily innocent, may be considered as

contraband when they have a hostile destination. The legality of this principle is recognized by most writers.

The nations are almost universally agreed that articles absolutely contraband may be taken when they are being transported to the territory of the enemy and that they are not protected from seizure by the fact that they are to be transshipped from their immediate to their final destination. Articles conditionally contraband may also be seized when they are being sent to the enemy but the doctrine of continuous voyage does not apply.

BOOK DEPARTMENT

NOTES

AMERICAN SOCIOLOGICAL SOCIETY. *Papers^x and Proceedings of the Eighth Annual Meeting held at Minneapolis, Minn., Dec. 27, 29, 30, 1913.* Topic: "Problems of Social Assimilation." Pp. vi, 193. Price, \$1.50. Chicago: University of Chicago Press, 1914.

BIZZELL, WILLIAM BENNETT. *Judicial Interpretation of Political Theory.* Pp. v, 273. Price, \$1.50. New York: G. P. Putnam's Sons, 1914.

BROWN, ROME G. *The Minimum Wage.* Pp. 98, xv. Price, \$1.00. Minneapolis: Review Publishing Company, 1914.

The author, after setting forth in general terms the economic problems which have led to the demand for a minimum wage, devotes the main portion of his brief study to the operation of the legislative minimum wage as passed by the Minnesota legislature. An examination of the various legal questions involved leads to the conclusion that the minimum wage law of Minnesota is unconstitutional. While denying any idea of controverting the ethical basis of the minimum wage, the author insists that in this particular instance the application of the principle is faulty.

BROWN, WILLIAM GARROTT. *The New Politics.* Pp. 234. Price, \$1.75. Boston: Houghton, Mifflin Company, 1914.

William Garrott Brown was a master of apt and forceful expression. Of the several articles from his pen, published under the general title of *The New Politics*, the most noteworthy are the two to which this title specifically belongs. The new politics of which he wrote is not the new science of government, but the new issues which have arisen in America and the marshalling of parties and men to meet them. The issues are economic and social, and arise from the substitution of combination for competition. In writing of these his hand was sure, though over-pessimistic, it may be. But when in treating of our great political parties he attempted to show that one of them from the time of its formation has been upon the whole the party of progress and liberty, the present critic, at least, is not at all convinced. Is it not true instead that the fundamental division has always been on the question of centralization, and that both parties have divided again into conservatives and radicals? Mr. Brown looked upon the new spirit of combination in the business world as a baneful thing; many, however, more truly progressive, regard it as a natural and healthful development, but one that must be made to serve the whole of society.

COIT, STANTON. *The Soul of America.* Pp. xi, 405. Price, \$2.00. New York: The Macmillan Company, 1914.

COLE, ARTHUR CHARLES. *The Whig Party in the South*. Pp. xii, 392. Price, \$1.50. (\$1.00 to members.) Washington: American Historical Association, 1914.

CRAPSEY, ALGERNON SIDNEY. *The Rise of the Working-Class*. Pp. xi, 382. Price, \$1.30. New York: The Century Company, 1914.

Under an inclusive title, the author has grouped a number of rather divergent topics. Of the thirteen chapters, only seven are directly related to the book title. The other chapters, dealing with the recent economic changes in the home, and with some of the economic phases of the feminist movement, refer primarily to the middle and upper-income classes. Although the author is guilty of several logical lapses, as, for example, in chapters seven and eleven, the book is, on the whole, interesting, stimulating, and for the average reader well worth a careful perusal.

CROW, CARL. *America and the Philippines*. Pp. xi, 287. Price, \$2.00. New York: Doubleday, Page & Company, 1914.

DOWRIE, GEORGE W. *The Development of Banking in Illinois, 1817-1863*. Pp. 181. Price, 90 cents. Urbana: University of Illinois, 1914.

Four distinct cycles are found in the development of Illinois banking and are discussed by the author in successive chapters. They were the experiences of the territorial banks from 1814 to 1819; banking a state monopoly from 1821 to 1825; banking and internal improvements which reached a climax in 1837; and the free bank system extending from 1837 to the time of the passage of the national bank act. Each of these cycles is analyzed, and their similarity of sequence indicated. A large collection of source material has been well handled.

EMIN, AHMED. *The Development of Modern Turkey as Measured by Its Press*. Pp. 142. Price, \$1.00. New York: Longmans, Green & Company, 1914.

FAYLE, C. ERNEST. *The New Patriotism: a Study in Social Obligations*. Pp. ix, 80. Price, \$1.00. London: Harrison & Sons, 1914.

Timeliness is not the only quality of this monograph. The historical rise and development of military patriotism is traced and is defended as a product, if not a necessity, of the age. It is shown, however, that, in spite of relapses, civilization tends to replace militarism by industrialism; that "the passion which aims to serve one's country" probably has not diminished but its basis has shifted. An attempt is made to refute the arguments of those who regard patriotism as a menace to highly developed civilization. The same enthusiasm for one's country is expended legitimately not "in hard fighting but in hard thinking." The reasoning of the author shows the present European conflict to be the result of the survival of an antiquated economic and political philosophy in a new age.

GILLETTE, JOHN M. *The Family and Society*. Pp. 164. Price, 50 cents. Chicago: A. C. McClurg & Company, 1914.

Dr. Gillette has collected and arranged in a usable manner a great deal of information on the subject of the family. He deals in the five chapters with the function of the family, the origin of marriage, the evolution of the family, current conditions affecting the family, and biological phases of sex and the family. It is a compilation and presents nothing new. His use of the word sociological for social is confusing.

GODDARD, HENRY H. *Feeble-mindedness: Its Causes and Consequences*. Pp. xii, 599. Price, \$4.00. New York: The Macmillan Company, 1914.

HAUSER, RICHARD. *Die Amerikansche Bankreform*. Pp. 99. Price, 3 M. Jena: Gustav Fischer, 1914.

Doctor Hauser carefully outlines the federal reserve act and then estimates its probable effect upon German business. He considers that the provisions permitting acceptances and foreign branches may have an influence especially in South American and Asiatic markets.

HETHERINGTON, CLARK W. *The Demonstration Play School of 1913*. Pp. 45. Price, 45 cents. Berkeley: University of California, 1914.

HILLQUIT, MORRIS and RYAN, JOHN A. *Socialism: Promise or Menace?* Pp. xiii, 270. Price, \$1.25. New York: The Macmillan Company, 1914.

Through the energy of *Everybody's Magazine* we have the arguments for and against socialism presented together. The two sides are well represented by a leading socialist and by an eminent social reformer. The popular analysis is interesting. In spite of opposite opinions on many points, there is substantial agreement that legislation and awakened public opinion will do much to improve present-day social conditions. Little is, however, gained by either side by presentation in this form. Argument, no matter how well presented, plays but a small part in the individual acceptance of a social philosophy. This discussion does not add to the scientific literature of this interesting subject.

HOBSON, J. A. *Work and Wealth*. Pp. xvi, 367. Price, \$2.00. New York: The Macmillan Company, 1914.

ILBERT, SIR COURTENEY. *The Government of India*. (2nd Edition, 1907, with Supplements 1910 and 1913.) Pp. xxxii, 546. New York: Oxford University Press, 1913.

Ilbert's *Government of India* continues to be the standard descriptive exposition of the statute law relating to the empire. Its accuracy and completeness assure it a place among the reference works of all students of the question of dependent governments.

The second edition of 1907 is now offered with the supplements of 1910 and 1913. The new chapters cover: (1) The Indian councils act of 1909 which

made important changes in the constitution and functions of the Indian legislative councils and gave power to make changes in the executive governments of the Indian provinces; (2) The Durbar of 1911 and its consequences. Appendices present the grants made at the Durbar and the revised regulations for the constitution of the legislative councils.

KELLEY, FLORENCE. *Modern Industry in Relation to the Family, Health, Education, Morality*. Pp. 147. Price, \$1.00. New York: Longmans, Green and Company, 1914.

Mrs. Kelley's latest book covers four general topics: the family, health, education and morality, as they are influenced by modern industry. The volume contains the substance of four lectures delivered during 1913 at Teachers' College, New York. Like all of Mrs. Kelley's work, the chapters are so popularized that they make excellent reading for the average citizen who is interested in securing some general information on the topics under consideration. At the same time, the work is very fragmentary. The author confesses as much when she writes on page 30: "Having thus briefly and fragmentarily indicated the disintegrating effect of modern industry upon the family" The chapters leave a feeling of incompleteness and uncertainty in the mind of the reader, which is unjustifiable, particularly in a book sufficiently small in volume to be made specific and succinct.

LINDSEY, SAMUEL McCUNE. *Legislation for the Protection of Animals and Children*. Pp. 96. Price, \$1.00. New York: Columbia University, 1914.

LORIA, ACHILLE. *The Economic Synthesis*. (Trans. by M. Eden Paul). Pp. xiii, 368. Price, \$3.00. New York: The Macmillan Company, 1914.

McLAUGHLIN, ANDREW C. and HART, ALBERT BUSHNELL. *Cyclopedia of American Government*. 3 vols. (1st vol.). Pp. xxxiii, 732. Price, \$22.50 set. New York: D. Appleton & Company, 1914.

MALLET, BERNARD. *British Budgets, 1887-88 to 1912-13*. Pp. xxiv, 511. Price, \$3.25. New York: The Macmillan Company, 1914.

MITCHELL, WESLEY CLAIR. *Business Cycles*. Pp. xviii, 610. Price, \$5.00. Berkeley: University of California Press, 1913.

MORRIS, MARGARET SHOVE. *Colonial Trade of Maryland 1689-1715*. Pp. viii, 155. Price, \$1.00. Baltimore: The Johns Hopkins Press, 1914.

MÜNSTERBERG, HUGO. *The War and America*. Pp. 209. Price, \$1.00. New York: D. Appleton & Company, 1914.

A timely discussion from a German viewpoint.

RUSSELL, CHARLES E. *These Shifting Scenes*. Pp. 311. Price, \$1.50. New York: G. H. Doran Company, 1914.

This book is a collection of essays written at various times and now gathered together. As a reporter on various New York daily papers. Mr.

Russell was in touch with many interesting men and events. The sketches of reporting life are overshadowed by the interesting analyses and reports of the Republican conventions of 1888 and 1892 at which Harrison was nominated. But by far the best study is of the Haymarket riots. These essays not only deal with their subjects thoroughly, but do so in the happy, easy style for which Mr. Russell is known.

SMITH, HARRY EDWIN. *The United States Federal Internal Tax History from 1861 to 1871*. Pp. xix, 357. Price, \$1.50. Boston: Houghton Mifflin Company, 1914.

WEI, WEN PIN. *The Currency Problem in China*. Pp. 156. Price, \$1.25. New York: Longmans, Green & Company, 1914.

In the preparation of this monograph Dr. Wei has briefly surveyed the history of money in China and then analyzed more in detail the problem of currency reform. The title suggests either a historical study or an analysis of current conditions or both. In his treatment he has relegated his study of conditions since the Revolution to a few pages in an appendix. His description of the confused condition of Chinese currency and his history of the various attempts at reform from 1895 to 1911 are good, the chief defect being a lack of sufficient emphasis on the pros and cons of the proposal for a gold-exchange standard. A more complete study of the situation today also would have been of interest.

WHITIN, E. STAGG. *The Caged Man*. Pp. 117. Price, \$1.50. New York: Columbia University, 1913.

A summary of existing legislation in the United States on the treatment of prisoners.

Who's Who in America, 1914-15. Vol. VIII. Pp. xxx, 2888. Price, \$5.00. Chicago: A. N. Marquis & Company, 1914.

The latest edition, revised and enlarged, of an indispensable work.

REVIEWS

BURR, ANNA ROBESON. *Religious Confessions and Confessants*. Pp. viii, 562. Price, \$2.50. Boston: Houghton Mifflin Company, 1914.

This book is a study of inward life as revealed in the autobiographical confessions of men and women, both learned and humble, who have given a personal unveiling of themselves; and it is, further, a serious attempt to pronounce upon the value of "first-hand religion" in the light of the biographical data which the author has collected.

Her range of reading and the mass of material which she has sifted are very extensive, no less than four hundred and fifty-two primary sources having been used. The book shows at every point a clever mind, a remarkable memory, a scientific temper and a prodigious amount of careful labor. It is the

reviewer feels, overcrowded by the very richness of the data, and would have been of greater value if fewer "cases" had been used for the illustration of the typical experiences presented, but it is a very impressive piece of work and deserves a high place among the present-day empirical studies of religion. The book has marked weaknesses and limitations as well as fine qualities. The treatment of the emotional aspect, or element, in religion, especially in mystical experiences and in "conversions," is far from convincing. The profounder studies of emotion as given for instance in Shand's *Foundations of Character*, show how impossible it is to make a parallel, as Mrs. Burr does, between the *rich emotional system*, as it appears in the religious experience of a mature person, and the crude religious emotion as it appears in primitive man. Her theory that "emotional religious experience is a result of a revival of savage animism" and is due to "vestigial forces" will no doubt explain some of the extraordinary phenomena of first-hand religious experience, but it does not explain how men through these experiences find new power to live by and new joy and greater conquering force. Some emotional experiences are "vestigial," but some are due perhaps to a vital correspondence with a subtler environment than that with which the senses are familiar.

Haverford, Pennsylvania.

RUFUS M. JONES.

CHEYNEY, EDWARD P. *A History of England from the Defeat of the Armada to the Death of Elizabeth*. (2 vols.). Vol. I. Pp. x, 560. Price, \$3.50. New York: Longmans, Green & Company, 1914.

The literature of modern English history has long been incomplete for lack of comprehensive works on the last years of Elizabeth's reign and on the reign of Charles II. The first of these fields has occupied Professor Cheyney's attention for many years, and this volume is the first of two which will fill the gap left between the work of Froude, ending at 1588, and that of Gardiner, beginning at 1603. These fifteen years constitute a short but important period when Englishmen were working out the national destinies in wide fields and manifold directions. It is a period of stirring action and of brilliant achievement. The adequate treatment of so great a subject demands the application of historical scholarship of a high order, and Professor Cheyney may well be congratulated on the success of his attainment in this volume. If the second maintains the same standard, the work will scarcely fail to win the approval of those who have awaited its appearance with high expectations.

Professor Cheyney conceives his task broadly. He has the two-fold object of giving a narrative of events and a description of government and society. With this purpose in mind, he divides the volume into four parts. The first on "Royal Administration" gives a charming view of the royal household and court and of their usages, with brief but excellent characterizations of the queen and her principal ministers and courtiers. Chapters on the privy council and on the courts most closely connected with the central administration present less that is new, but the clear, straightforward explanation of the organization and working of these bodies is well worth having.

Part II, headed "Military Affairs, 1588-1595," contains a thorough account of the expedition of 1589 against Spain and Portugal and of the later cam-

paigns in the Netherlands and France. Professor Cheyney is as fully at home with the continental literature and sources as with the English, and the detailed story of these expeditions is here first adequately told. After following the history of these ill-equipped, poorly fed, and generally neglected armies, too often restricted by unwise and vacillating orders from the queen, one may be more inclined to accept the author's bold estimate of Elizabeth's statecraft. "Such success as her administration attained," he says, "was in spite of her deficiencies as a ruler rather than a result of her abilities. From repeated dangers the country was extricated only by good fortune, and golden opportunities in long series were wasted largely by the queen's incapacity to see them or unwillingness to make use of them" (p. 13).

English expansion on the sea is the central thread running through parts III and IV. The third part, entitled "Exploration and Commerce, 1553-1603," takes the reader back to early English attempts to discover a new sea-route to the east and gives a continuous narrative of the hardy and adventurous enterprises of the Tudor merchants and seamen which laid the foundation of England's later commercial and imperial greatness. The fourth, dealing with "Violence on the Sea," describes with a wealth of illustrative detail the English practice of seizure on the sea and traces carefully the rather vague line drawn between reprisals, privateering, and seizure of contraband on the one side and piracy on the other. A final chapter carries the naval war with Spain down to 1596.

Taken as a whole the book is a remarkably satisfactory product. The reviewer has rarely been so happily at a loss for anything of importance to criticize adversely. The chief feeling left with him is one of confidence in the general trustworthiness of the work. The author's knowledge of the sources is profound and his judgment of their value appears to be sound. His style is plain and direct, almost sober, but never dull. It has a certain stateliness well in keeping with the subject which sustains the interest of the reader throughout. The book is worthy of a high place in English historical literature.

Cornell University.

W. E. LUNT.

FERRERO, GUGLIELMO. *Ancient Rome and Modern America*. Pp. vi, 352. Price, \$2.50. New York: G. P. Putnam's Sons, 1914.

The title of the book is a misnomer. One who should seek it to inform himself concerning the likenesses or contrasts between the society of ancient Rome and modern America would be disappointed. It is a commentary on progress. It is a psychological autobiography of a Roman historian, schooled in the European point of view, who, for the first time, through two somewhat lengthy visits to America, comes into contact with a new world of ideas. He is first surprised, then startled, and then as a philosopher he sets himself at the task of reconciling his new impressions and ideas with his original point of view. The result is both interesting and instructive. He analyzes both the facts observed and his own mental processes.

His new world definition of progress "is one which would identify it with the increase of the power and speed of machines, of riches, of our control over

nature, however much that control may involve the frenzied squandering of the resources of the earth, which, while immense, are not inexhaustible." This he contrasts with the European concept "that the milestones along the road to progress consist in the masterpieces of art, the great religions, the discoveries of science, the speculations of philosophy, the reform of laws, customs and constitutions." From this dual definition as to inherent superiority all arguments proceed, and no mutual understanding is possible.

Somewhat reconciled to the American concept of progress because he sees it tending toward certain spiritual ideals, he is nevertheless disturbed by the universal prodigality which is hurrying modern civilization on beyond every reasonable limit. Our greatest need in modern times he feels is some restriction on unbridled ambitions. "However," he says, "America, actually America, proved to me that the ancient culture represented by Europe is not destined to die out, and that if Europe is being Americanized, America in compensation is being induced by an internal impulse to Europeanize herself." Evidences of this he discovers in "the fact that one can find in no European country so lively and profound a trust in science." "No European country expends so much money, labor and zeal on founding museums, schools, universities and new religions; on fostering, in the midst of the mechanical civilization and the realm of quantity, the arts, the religious spirit and the disinterested sciences; on preventing the loss of that intellectual legacy of the past in which Europe takes an ever decreasing interest, occupied as she is in developing her industries and her trade."

We have discovered nowhere such a keen insight into the contrasts between the old civilization and the new. The book is well worth reading by all those interested in the interpretation of modern society.

J. P. LICHTENBERGER.

University of Pennsylvania.

VONIERING, RUDOLF. *Law as a Means to an End.* (Trans. by Isaac Husik).

Pp. lix, 483. Price, \$3.50. Boston: The Boston Book Company, 1913.

At a time when social and economic changes are yielding new interpretations to laws formed under different conditions, when the very meaning of law is changed either by judicial decisions or by the development of new legal theories in order to conform the law to the needs of the time, it is interesting to have this volume made readily accessible to Americans through its translation into English.

In the general theory of the purposive character of law there is little place for the concept of law as a product of pure reason and as a closed system. It is an outgrowth of human experience and sustains its authority because, or to the extent to which, it serves the largest measure of human needs. It changes, either in form or interpretation, as human purposes change.

The philosophic principles upon which this interpretation is based are developed in the first chapter. Adhering to the principle of sufficient reason or the universal law of casuality, he shows that this holds true of the human will as it does of matter. The will cannot set itself in motion without a compelling reason any more than matter can set itself in motion without a com-

pulling force. What cause is in the world of matter, purpose is in the world of volition. Cause looks backward, purpose looks forward. "There emerges in the soul a picture, an idea (representation) of a future possible state, which promises the subject a greater satisfaction than the state in which he finds himself at the moment. The reason why the idea emerges lies partly in the subject himself, in his individuality, his character, his principles, his view of life; partly in external influences." Purpose forms and conduct results. Society is the form of human life in general, so that human life and social life are synonymous. Social purposes are therefore the sources of social action and the formation of these purposes is expressed in law. Law is then a means to an end.

Had the author lived to complete the volume as outlined at the end of Chapter IV, the work would have been of even greater value but enough has been written to make a profound impression on the German legal mind and now in our vernacular it ought to influence greatly the legal mind of contemporary America.

J. P. LICHTENBERGER.

University of Pennsylvania.

JONES, ROBERT. *The Nature and First Principle of Taxation*. Pp. xvii, 299. Price, 7/6. London: P. S. King & Son, 1914.

Frequent summaries prove very helpful to the reader of this excellent volume on the theory of taxation. The argument throughout is clear and, with minor exceptions, is consistent. Mr. Jones defines a tax, carefully distinguishing it from price, and then confines his argument to pure taxes as distinct from prices and quasi-taxes. A detailed historical review of definitions of taxation is presented in order to show the movement towards a common definition. This leads to a discussion of the principles of taxation in connection with which there is as yet no unanimity of opinion. A careful analysis reveals equity and economy as most often used and of these two economy, if properly defined, is the fundamental principle. Certain limitations to this principle are important, most significant of which is gradualness. Six branches of the fundamental principle are enumerated as tests that may be applied to any new or existing tax. An unusually refreshing introduction has been contributed by Mr. Sidney Webb.

Criticism may be directed either against the underlying assumptions of the author or against the details of his analysis. To the reviewer the former is more important. Mr. Jones has felt impelled to seek for one general principle in taxation to which all others must be subordinated. It is doubtful, especially at the present stage of development of the theory and practice of taxation, if such a method of approach is either helpful or advisable. Emphasizing the importance of economy and dismissing equity as a concept that is objectionable because both vague and ethical are by no means necessary. Both must be and are considered in practice. Either one can be eliminated by a comprehensive definition of the other. Mr. Jones has defined economy so broadly, (e.g. p. 215), as to include most of the ideas usually connected with equity.

True economy must be equitable, and to make sure we shall define economy broadly enough to accomplish our purpose. Similarly one may define equity in such manner as to be sure that economy is implied. If economy is lacking, there can be no equity.

Why endeavor to make either supreme? In practice one may call for stress at one time and the other at another. Also why strive to maintain a barrier between economics and ethics, or between economics and politics (p. 244)? The field of knowledge is not subject to such arbitrary grouping and it is especially true that the science of taxation has many aspects among which the most important are the economic, the ethical and the political. There is no occasion to insist upon any one of these aspects or upon any one principle as supreme.

E. M. PATTERSON.

University of Pennsylvania.

LOW, SIDNEY. *Egypt in Transition*. Pp. xxiv, 316. Price, \$2.50. New York: The Macmillan Company, 1914.

This volume is a most illuminating account of present economic and political conditions in Egypt and the Sudan, the result of a journey through the Nile countries. It contains an introduction by the Earl of Cromer discussing the method of English administration in Egypt. Contrary to the usual custom, Mr. Low's trip begins with the Sudan and ends at the Delta of the Nile. The account of the little known and still less understood Sudan is probably the most interesting and informing part of the book. "That the Sudan, with its perennial sunshine and its vast area, will become one of the great agricultural-producing regions those who know it best do not doubt, when the engineers have settled the irrigation question and enabled it to take a larger supply of the fertilizing water which flows by its swamps and forests and thirsty levels on the way to Egypt and the sea." In spite of the great extent of irrigation in Egypt, reclamation has only begun. In the Sudan, not only is the Nile largely unused locally, but the enormous waste of its waters by evaporation in the spreading swamps and by absorption in the sands, limits the available supply for lower Egypt. In the future, other Assuan dams will be constructed, the swamps will be drained, Lakes Albert and Victoria will be converted into colossal storage reservoirs, and "the whole Nile system handled and controlled."

The problem of the administration of Egypt and the Sudan is discussed with considerable fullness. Neither a colony nor a protectorate of Great Britain, Egypt is nominally a province of Turkey, having its own rulers and officers of administration. "We do not govern Egypt," says Mr. Low, "we only govern the governors of Egypt." That under such a unique system England has accomplished so much is one of the wonders of the administration of a dependency. In the Sudan, which is jointly under the control of Egypt and England, the administration, while still complicated and confusing, is more directly under England's control. Here practically state socialism prevails. That the English are very unpopular in Egypt Mr. Low freely admits. The Nationist party obstructs; the old, deposed, governing ele-

ment is hostile; the great mass of the people is indifferent. "It is more than doubtful whether the English receive credit for the great reforms they have brought about. The peasantry have little consciousness of the part we play in the administration. The peasant thinks less of the reforms than of the grievances which he still suffers, or believes himself to suffer." The realization of self-government in Egypt, the author believes, is far distant, though possibly ultimately attainable. Although a difficult experiment, the author considers "the British occupation of Egypt the most honorable episode in the recent history of our race."

G. B. ROORBACH.

University of Pennsylvania.

LYTTON, CONSTANCE and WARTON, JANE. *Prisons and Prisoners*. Pp. 337. Price, \$1.00. New York: George H. Doran Company, 1914.

In this volume Lady Constance Lytton gives a vivid account of her four imprisonments as a militant suffragette; twice in Holloway prison, and once each in Newcastle prison and the Walton gaol. Her narrative of her conversion both to the principles and to the program of the suffragettes serves a double purpose. It is an argument for "the cause" and it is such a sincere psychic self-analysis that one is inspired at once with confidence in the truthfulness of the descriptions that follow.

In her experiences, Lady Lytton had a distinct advantage over Mr. Thomas Mott Osbourne, who a few months ago submitted to voluntary confinement in Auburn state prison in order to study prison life from the inside. In her case, real charges were preferred, and she was a real prisoner. She endured all the hardships and when, because her identity was known and she received special consideration, she determined upon a disguise in the person of Jane Warton, spinster, she was forcibly fed in the Walton gaol.

For years, the author tells us, her hobby has been prisons. Here then she was able both to serve the cause to which she devoted her life and to make her prison studies. During her several imprisonments she made careful observations of the internal workings of prison systems, of rules and regulations and their effects upon herself and other prisoners. As a result, the entire system stands under the severest indictment. It is unkind, often cruel, and sometimes inhuman. It is based upon the assumption of the depraved character of all prisoners. It is an exasperating waste of good opportunities. It is vindictive and retaliative. It fails utterly and hopelessly to accomplish the purpose for which it is intended.

Lady Lytton has done for the women prisoners in English prisons what Mr. Osbourne did for the men in Auburn—she has given a minute account of just what happened "within prison walls."

The story is told in simple narrative form and, irrespective of the views of the reader in regard to the cause of her imprisonment, she has done a splendid service in helping to render unpopular in the public mind a system of treatment of offenders now so thoroughly discredited by sincere students of prison science.

J. P. LICHTENBERGER.

University of Pennsylvania.

THOMPSON, W. GILMAN. *The Occupational Diseases*. Pp. xxvi, 724. Price, \$6.00. New York: D. Appleton & Company, 1914.

The author sums up the purpose of this book in his preface:

"This work which is the first of its kind to be published in this country is designed primarily for physicians interested in the subject of the occupational diseases of modern life, and also as a guide to students of social economics, social service workers, insurance actuaries, and those whose special interests deal with problems of labor legislation, or with workers in the chemical, textile, and many other manufactures or trades in which the health of the worker is closely related to problems of efficiency and humanitarian effort."

The book is divided into seven parts which deal respectively with: (1) history, classification, general pathology and etiology, (2) general remedial measures, (3) diseases due to irritant substances, (4) diseases due to harmful environment, (5) special occupational diseases, (6) influence of special conditions, (7) miscellaneous diseases not otherwise treated.

To the layman, the most interesting part is the one in which general remedial measures are discussed. The presentation of the place and purpose of educational measures affecting the employer, workman, physician, public and the press is particularly suggestive. No less able is the treatment of the hygiene of the work place and that of the workman.

Almost one-half of the pages are devoted to the diseases caused by toxic substances such as metals, gases, fluids and dusts. Here each substance is separately considered under the various headings of mode of poisoning, symptoms, prognosis, prevention and treatment. Usually the process of manufacture in which the danger is met is explained.

In another part the author presents in detail the reaction of the various organs to specific poisons. Prophylaxis and treatment are emphasized throughout.

The appendix contains interesting summaries. Many dangerous substances are tabulated under harmful substance, industry where prepared and used, mode of entrance into body and diseases or symptoms. Other tabular lists contain the industries in which workers are subjected to special hazard, and principal industries in which dust is the chief source of dangers.

The illustrations, tables and quotations are copious and illuminating.

The author has given us a valuable and much needed reference book. It should have increasing usefulness as a text book. It is a notable contribution to the literature of a very interesting and important subject.

ALEXANDER FLEISHER.

New York.

TILLET, ALFRED W. *Introduction to Herbert Spencer's Synthetic Philosophy*. Pp. xx, 177. Price 5/-. London: P. S. King & Son, 1914.

To the ponderous intellect of Herbert Spencer we are indebted more than to any other for the unification of human knowledge. His system of synthetic philosophy, despite its inadequacy and its positive errors, will remain one of the supreme achievements of the human mind. Yet the ten volumes with their more than six thousand pages are destined also to remain a colossal enigma

to the average reader or casual student. It is not a library to be "read." One might peruse volume after volume, concentrating attention on their specific contents and finding much obsolete material, without ever grasping the meaning of the whole.

We have in the contents of this volume a sincere and sympathetic effort to explain "what it is all about." Realizing that nowhere except in one single passage has Mr. Spencer performed this task, our author has undertaken it. He has endeavored to establish and substantiate by analysis of the principal doctrines Mr. Spencer's own claim that "The whole system was at the outset, and has ever continued to be, a basis for a right rule of life, individual and social." This little book will help materially rightly to evaluate Spencer's great work. It will help to shift the emphasis from controversies over immaterial fragments and to center attention upon "the main thing" which constitutes Spencer's real contribution to the sum of human knowledge and to the progress of human welfare.

J. P. LICHTENBERGER.

University of Pennsylvania.

WICKERSHAM, GEORGE W. *The Changing Order*. Pp. v, 287. Price, \$1.25. New York: G. P. Putnam's Sons, 1914.

This book by a former attorney-general of the United States consists of a number of essays which originally were prepared for delivery as addresses on special occasions. The nature of the topics discussed is indicated by the chapter titles. These are: the progress of law; the state and the nation; college men and public questions; palimpsests; business and the law; engineering and culture; the study of law and the work of lawyers; recent interpretation of the Sherman act; further regulation of interstate commerce; results of the trust dissolution suits; federal control of stock and bond issues by interstate carriers; new states and constitutions; the theory of constitutional government in 1787 and 1912.

Considering the nature of the position formerly held by the author, perhaps the greatest interest will attach to his views as to the proper attitude of the government toward business. Mr. Wickersham clearly approves of the principle embodied in the Sherman act, and believes that the recent decisions of the supreme court in the standard oil and tobacco cases have demonstrated, perhaps for the first time, that the Sherman law is an effective weapon to the accomplishment of the purpose for which it was primarily enacted, namely, the dissolution of the great combinations familiarly known as trusts. He further believes that the unfair methods of competition resorted to in the past have been checked, and in large measure destroyed, with the result that the industrial field is open to fair competition and enterprise to a larger degree than for many years past; and that when the pending suits (November, 1912) against the great combinations have been terminated hardly any abnormally large combinations will be left intact.

The author, however, hardly regards the Sherman act alone as adequate for the solution of the trust problem. He suggests the prohibition of the holding company device, thus striking at the very root of the trust evil, but con-

siders such legislation, though admittedly logical and effective, too drastic in character. He favors the proposition to establish a federal commission similar to the Interstate Commerce Commission, yet at the same time views with alarm the resulting increased centralization in Washington of control over the trade of the country, and the possibility of further bureaucratic intermeddling with business. The conclusion is reached that theoretically this federal commission should have some power to regulate prices, but the practical difficulties in the way of exercising this power are held to be so great as to prove well-nigh insurmountable.

On the whole, the argument of the author has an uncertain sound. The nature of his utterances appears to have been determined in considerable measure by political considerations. Certainly there is little in this book of value to the student of the trust problem.

ELIOT JONES.

State University of Iowa.

WORCESTER, DEAN C. *The Philippines Past and Present*. 2 vols. Pp. 1024, 128 plates. Price, \$6.00. New York: The Macmillan Company, 1914.

In these two attractive volumes, the recent secretary of the interior of the Philippine Islands does not aim to give primarily a history and a description of the Philippines. They are written rather as a defense of the past American administration of the islands and as an argument against the granting of political independence to the Filipino. Much of the book is devoted particularly to a refutation of James H. Blount's book, *The American Occupation of the Philippines, 1908-1912*. Indeed, so much space is given to answering Blount's charges that this work might be regarded as a reply to that book.

About one-third of the work is devoted to the relations of the Americans and the insurgents under Aguinaldo. The author has here assembled a vast amount of documentary evidence, both insurgent and American, in an attempt to dispose once and for all of the charge that the Americans promised independence to the insurgent leaders for aid in the campaign against the Spaniards. The evidence shows rather that the insurgents offered no real coöperation with the American forces but were guilty of base treachery toward them, and that the insurgent government finally destroyed by the Americans was in no sense a republic but an oligarchy of the most oppressive kind.

The second third of the book deals with the method of government and the work accomplished under American control. Throughout these chapters that deal with a variety of subjects—justice, education, health, slavery, legislation and so on—the author constantly emphasizes his belief that the Filipinos are incapable of self-government. The results obtained under American rule, in spite of Filipino indifference and opposition, have been remarkable but "the Filipinos are where they are today only because they have been pushed into line, and if outside pressure were relaxed they would steadily and rapidly deteriorate."

The last group of chapters is descriptive of the islands—their physical features, climate and resources. The economic possibilities of the Philippines are not, possibly could not easily be, overestimated. In a chapter

on the commercial possibilities, however, the author has fallen into a very common error when he regards Manila as inevitably the future distributing center of the Far East. To substantiate his point he gives in the text a Mercator's map—the most deceptive of all maps—which makes Manila appear as the commercial center of the Western Pacific. As a matter of fact, a glance at a globe will show that both Hong Kong and Yokohama are nearer Panama and San Francisco than is Manila and lie on the main, or great circle, route, while Manila is an out-of-the-way place.

As a statement of the Philippine problem by one who has been intimately associated with the islands since before the Spanish War, and has been a member of the responsible governing body since the islands came into American possession, this book deserves more than usual consideration. It bears the authority of first-hand, inside information from the man who knows the Filipino people probably better than any other American.

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University of Pennsylvania.

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